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A Report of the Nevada Land Management Task Force to the Nevada Interim Legislative Committee on Public Lands: Congressional Transfer of Public Lands to the State of Nevada

Pursuant to AB 227 of the 2013 Nevada Legislative Session

July 18, 2014

Assembly Committee: Legislative Operations and Elections
Exhibit: C Page: 1 of 132 Date: 05/07/15
Submitted by: Mike L. Baughman

Nevada Land Management Task Force

Established Pursuant to Assembly Bill 227 enacted in the 2013 Legislative Session

August 1, 2014

Assemblyman Paul Aizley
Chair, Interim Committee on Public Lands

RE: Final Submission of the Nevada Land Management Task Force Report

Dear Chairman Aizley and Committee Members:

When AB227 was passed during the 2013 Legislative Session it created the Nevada Land Management Task Force and set in motion a series of events designed to create a study to determine the implications of transferring Nevada's public lands from the Federal Government to the State of Nevada.

After twelve months of diligent work by Task Force Members, numerous stakeholders, and staff; and three hearings to take input from your Committee, we have produced a final version of our Report for you. In order for the study to possess the integrity necessary to gain broad support, it required the effort of a very dedicated Task Force Membership and full participation by every member who had been chosen to serve.

Especially important for the Task Force to accomplish its mission was support of the staff of the Nevada Association of Counties and Intertech Services, Inc. Intertech Services, Inc. exceeded all expectations in fulfilling its contract for services.

I want to thank the members of the Task Force and all who supported them for a job well done and also thank you, the Legislative Committee on Public Lands, for receiving periodic reports on the progress of the Task Force and spending the time to evaluate and provide input on all of the information provided by the Task Force.

Thank you again, and please accept the submission of this Report to meet the requirement of AB 227 from the 2013 Nevada Legislative Session.

Sincerely,

Demar Dahl, Elko County Commissioner
Chair, Nevada Land Management Task Force

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Nevada Land Management Task Force Recommendation
to the Nevada Interim Legislative Committee on Public Lands

Following many months of deliberations; the funding and completion of an extensive analysis of the fiscal impact to the State of Nevada of managing federal lands transferred to the State; and in consideration of testimony and comments offered before the Nevada Land Management Task Force and before various Nevada county commissions which took public input on drafts of this Task Force Report; the Task Force recommends that the Nevada Legislature's Public Lands Committee request a bill draft for the following joint resolution to be introduced and passed by the 78th Nevada Legislature:

JOINT RESOLUTION—Urging Congress to take certain actions concerning federal public lands in Nevada.

WHEREAS, The Federal Government manages and controls over 87 percent of the land in Nevada; and

WHEREAS, the paucity of state and private land in Nevada serves to severely constrain the size and diversity of the State's economy; and

WHEREAS, the federal government promised all newly created states, in their statehood enabling contracts, that it would dispose of the public lands it held within the borders of those states; and

WHEREAS, this promise is the same for all states east and west of Colorado; and

WHEREAS, the federal government has honored this promise with Hawaii and all states east of Colorado and today controls, on average, less than 5 percent of the lands in those states; and

WHEREAS, the federal government has failed to honor this same promise with Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Nevada, Washington, Oregon, California, and Alaska and today still controls more than 50 percent of all lands in these states; and

WHEREAS, the United States Supreme Court declared the statehood enabling act contracts to be "solemn compacts" with enforceable rights and obligations on both sides; and

WHEREAS, a July 2014 study prepared pursuant to AB 227 of the77th Nevada Legislative Session entitled, "Congressional Transfer of Public Lands to the State of Nevada: A Report of the Nevada Land Management Task Force to the Legislative Committee on Public Lands" concludes that the State of Nevada could generate significant net revenue were it afforded the opportunity to manage an expanded state land portfolio; and

WHEREAS, the Nevada Land Management Task Force has concluded that a Congressional transfer of certain federally administered land to the State of Nevada should be accomplished in phases; now therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That the members of the 78th Session of the Nevada Legislature hereby urge Congress to enact legislation transferring title and ownership of certain federally administered land to the state of Nevada; and be it further

RESOLVED, that any such Congressional transfer of federally administered land to the State of Nevada should exclude the following lands from consideration for transfer 1) current Congressionally designated wilderness areas; 2) National Conservation Areas; 3) lands currently administered by a) the Department of Energy; b) Department of Defense; c) Department of Interior, Bureau of Indian Affairs; d) Department of the Interior, U. S. Fish and Wildlife Service; e) Department of the Interior, National Park Service; and 4) Bureau of Land Management designated Areas of Critical Environmental Concern established to protect Desert Tortoise; and be it further

RESOLVED, that the Congressional transfer of federally administered land to the State of Nevada should be authorized to occur in phases; and be it further

RESOLVED, that the following federally administered land should be included in an initial phase for transfer to the State of Nevada 1) all parcels of Bureau of Land Management administered land remaining within the original Central Pacific Railroad corridor along Interstate 80 in Northern Nevada; 2) all land previously identified by the Bureau of Land Management as suitable for disposal or currently moving forward in planning documents for federal land use plans that have not yet been disposed of in Nevada; 3) all Bureau of Land Management land under existing Recreation & Public Purposes Act lease in Nevada; 4) all Bureau of Land Management land authorized under rights-of-way granted to the State of Nevada and her units of local government and non-linear rights-of-way granted to private parties within Nevada; 5) all Bureau of Land Management held subsurface estate where the surface estate is privately held in Nevada; 6) all Bureau of Land Management land designated by the Secretary of the Interior as Solar Energy Zones in the State of Nevada; 7) all Bureau of Land Management land in Nevada leased for geothermal exploration and utilization; 8) all Bureau of Land Management Land in Nevada which has been authorized for disposal within enacted and introduced federal legislation; and be it further

RESOLVED, that the State of Nevada shall be authorized to select no less than 7.2 million acres from among the aforementioned classes of land to be transferred during an initial phase by the federal government; and be it further

RESOLVED, that upon request by a local government or the Nevada Legislature within 10 years of the initial transfer of Phase I lands the following federally administered land to be transferred from the federal government to the State of Nevada in subsequent phases including 1) other Bureau of Land Management administered land in Nevada; 2) land administered by the United States Forest Service in Nevada; 3) lands deemed to be surplus by the Bureau of Reclamation in Nevada; 4) other federally managed and administered lands in Nevada; and be it further

RESOLVED, that any such Congressional transfer of federally administered land to the State of Nevada shall include 1) surface estate; 2) subsurface estate and 3) any federally held water rights appurtenant to transferred lands; and be it further

RESOLVED, that the transferred lands will be held by the State of Nevada in trust for the select beneficiaries; and be it further

RESOLVED, that land transferred by the federal government to the State of Nevada in an initial phase shall be managed for long-term net revenue maximization; and be it further

RESOLVED, that federally administered land transferred to the State of Nevada in subsequent phases shall be managed for on-going net revenue generation and environmental health, function, productivity and sustainability; and be it further

RESOLVED, that the transferred lands shall be managed by the State of Nevada in trust for the following beneficiaries 1) public K-12 education; 2) public higher education; 3) public specialized education; 4) public mental and medical health services; 5) social, senior and veteran services ; and 6) public programs for candidate and listed threatened or endangered species recovery plan development and implementation; and 7) local governments to pay for services and infrastructure required on these lands which would otherwise be financed through property tax or other revenues available to local government; and be it further

RESOLVED, that payments to local government to replace the revenue lost through reduced federal Payments in Lieu of Taxes (PILT) will be made by the State of Nevada from gross revenues derived through management of federal land transferred to the State of Nevada; and be it further

RESOLVED, that payments to local governments to replace the amount of revenue which would otherwise have been shared with local governments in Nevada by the Bureau of Land Management from the sale of materials, mineral leases and permits, grazing permits and other revenues on federal lands transferred to the State of Nevada will be made by the State of Nevada from the gross revenue derived by the State for management of those lands; and be it further

RESOLVED that payments to local governments to replace the amount of revenue which would otherwise have been shared with local governments in Nevada by the Department of Interior Office of Natural Resources Revenue from royalties, rents, and bonuses generated throughout the life of energy and mineral leases on federal lands transferred to the State of Nevada will be made by the State of Nevada from the gross revenue derived by the State for management of those lands; and be it further

RESOLVED, that consistent with the Southern Nevada Public Land Management Act, the Lincoln County Conservation, Recreation and Development Act and the White Pine County Conservation, Recreation and Development Act, 10 percent of the proceeds of the sale of transferred land by the State of Nevada which was identified in these Acts for disposal by the Bureau of Land Management shall be provided to the Southern Nevada Water Authority, Lincoln County and White Pine County for uses identified by each respective Act; and be it further

RESOLVED, that the following principals will guide State of Nevada management of transferred lands 1) all transferred land subject to applicable State of Nevada and local government statutes, regulations, ordinances, and codes; 2) all transferred land subject to valid existing federal, State of Nevada, and local government permits; land use authorizations; existing authorized multiple uses; rights of access and property rights; 3) administration and management, including disposal, of transferred land by the State of Nevada shall be subject to review by the governing board of local government(s) within which land to be disposed of is located for consistency with local master plans, resource management/open space plans, land disposal lists, ordinances and land use policies; and 4) costs incurred by the State of Nevada to administer federal land transferred to the State shall be covered by gross revenue derived from managing said land and not passed through to local government; and be it further

RESOLVED, that net revenues derived from the management of transferred lands shall be 1) held in trust for the benefit of select beneficiaries and 2) deposited into a Permanent Trust Fund for the express benefit of aforementioned beneficiaries; and be it further

RESOLVED, That the Chief Clerk of the Assembly (or Senate) prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the United States Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, that this resolution becomes effective upon passage.

A Report of the Nevada Land Management Task Force to the Legislative Committee on Public Lands: Congressional Transfer of Public Lands to the State of Nevada

I. Executive Summary

Pursuant to the requirements of A.B. 227 (Chapter 299, *Statutes of Nevada 2013*) the Nevada Land Management Task Force has completed this report which documents 1) an economic analysis including costs and revenues associated with transferring federal lands to the State; 2) a proposed plan for the administration and management of any lands transferred; and 3) an identification of the lands that Task Force determines would be included in any potential transfer. During its July 18, 2014 meeting, the Task Force reviewed and those members of the Task Force present voted unanimously to approve this report and recommendation for submission to the Nevada Interim Lagislative Committee on Public Lands. The Task Force is recommending that the Legislative Public Lands Committee submit a bill draft request to introduce a joint resolution calling upon the Congress to transfer 7.2 million acres of public land to the State of Nevada in an initial phase; other federally administered lands in subsequent phases and other matters pertaining thereto.

The Task Force recognizes the need to maintain the integrity of environmentally sensitive and culturally important areas designated by Congress for special management such as wilderness, national parks, national monuments, national recreation areas, national wildlife refuges, national conservation areas, federally recognized Indian reservations and other lands administered by the Bureau of Indian Affairs and land designated by the Bureau of Land Management (BLM) as Areas of Critical Environmental Concern to protect the Desert Tortoise. These lands are recommended by the Task Force for exclusion from any congressional transfer of land to the State of Nevada.

The Task Force has determined that the State of Nevada would likely be able to generate significant net revenues from the management of an expanded state land base. The Task Force believes that conditions which attended state trust land management in the states of Arizona, Idaho, New Mexico and Utah during the years of 2008 through 2012 are sufficiently similar to those in Nevada to support the assumption that were the Congress to transfer an amount of land commensurate with state trust land holdings in those states that Nevada could achieve net land management revenues ranging between $7.78 and $28.59 per acre.

The concept of self-funding of an expanded state land management function was embraced by the Task Force as a goal. Consequently, two key objectives were identified including 1) phasing of a federal to state land transfer to enable absorption of an expanded land management function in a fiscally neutral and sustainable manner and 2) selection of lands for transfer during Phase I having immediate potential for collateralization, minimal management costs and generation of net revenues in a short term.

The Task Force applied these framing considerations and has identified the following public lands in Nevada for inclusion in a proposed Phase I land transfer:

- BLM administered parcels of land remaining within the original Central Pacific Railroad corridor along Interstate 80 in Northern Nevada (BLM Checkerboard; 4.2 million acres)
- Lands identified by BLM as suitable for disposal or currently moving forward in planning documents for federal land use plans that have not yet been disposed of (Identified by BLM as Suitable for Disposal; 1 million acres)
- BLM lands under existing Recreation & Public Purposes (R&PP) Act lease (Existing BLM R&PP Leases; 200,000 acres)
- BLM lands authorized under Rights-of-Way granted to the State and local governments and non-linear Rights-of-Way granted to private parties (Existing BLM ROW Grants; 255,000 acres)
- BLM held subsurface estate where the surface estate is privately held (BLM Split Estate; 300,000 acres)
- BLM lands designated by the Secretary of the Interior as Solar Energy Zones (BLM Designated Solar Energy Zones; 65,000 acres)
- BLM lands leased for geothermal exploration and utilization (BLM Geothermal Leases; 1,045,079 acres)
- BLM lands authorized for disposal within enacted and introduced federal legislation (Enacted and Proposed Congressional Transfers of BLM Land; 250,000 acres)

Collectively, these Phase I lands would total an estimated 7,281,074 acres.

Assuming that net revenues between $7.78 and $28.59 per acre can be derived by the State of Nevada from management of an expanded state land area and assuming that a Phase I Congressional transfer of land included 7.2 million acres (the Task Force recommendation for Phase I), the State of Nevada might be capable of generating net revenues ranging between $56,016,000 and $205,848,000 annually.

The Task Force has observed the important role that the dedication of net revenues to select beneficiaries has seemingly played in states' success in generating net revenues. The Task Force recommends that 1) the transferred lands will be held by the State of Nevada in trust for select beneficiaries; 2) Phase I transferred lands will be managed for long-term net revenue maximization; 3) lands transferred in subsequent phases will be managed for on-going net revenue generation and environmental health, function, productivity and sustainability and 4) the transferred lands will be managed by the State of Nevada in trust for the following beneficiaries:

- Public K-12 education
- Public higher education
- Public specialized education
- Public mental and medical health services
- Social, senior and veterans services
- Public programs for candidate and listed threatened or endangered species recovery plan development and implementation
- Local governments to pay for services and infrastructure required on these lands which would otherwise be financed through property tax or other revenues available to local government

Because Nevada currently only holds and manages less than 200,000 acres, of which approximately 2,900 acres are State Trust Lands, the Task Force recognizes that fiscal and staffing considerations suggest that the State would be well served to accept transferred federal lands in phases. The Task Force further believes that any phasing strategy must be focused in the beginning on lands which offer immediate revenue generating potential so as to enable the State early access to monies from which an expanded State Trust land management capacity can be established with minimal impact upon the State General Fund .

The Task Force has considered alternatives for administration and management of an expanded State land base and has determined that land to be transferred by the Congress should be transferred to and administered by the State of Nevada, Division of State Lands. As noted previously, the Task Force is recommending that the majority of transferred land be held in trust and managed for the benefit of select beneficiaries. Were the Congress to transfer 7.2 million acres during Phase I to the State of Nevada, the Task Force estimates management of this area would require a staffing level at the Division of State Lands of between 96 and 162 persons.

Given existing statutory and regulatory environmental and land use review, oversight and approval/denial authority vested with State of Nevada agencies and local government, the Task Force believes that proposed development and use of transferred lands in an environmentally responsible manner is likely and that extra-regulatory procedure such as a state-level National Environmental Policy Act (NEPA) like process is unnecessary.

The Task Force has come up with the following plan for financing start-up transferred land management costs. Elements of the plan include:

- No Nevada State General Fund expenditures to manage 7.2 million acres of Phase I transferred lands
- A portion of the 7.2 million acres of transferred lands to the State of Nevada to be collateralized
- Short to intermediate term debt to be incurred by State of Nevada for land management start-up capital
- The observed four-state, five-year average expense per acre of $3.73 (see Table 10 of Appendix E of this report) can be assumed as the Year 1 land management cost per acre for lands transferred to the State of Nevada
- Estimated first year State of Nevada expense for management of 7.2 million acres is estimated at $26,856,000
- As soon as possible after patenting and recordation of the Phase I transferred land, the sale of select parcels to generate start-up capital and repay debt would occur
- A first year sale of up to 30,000 acres from among those lands previously identified for disposal by BLM at an assumed $1,000/acre would yield $30 million plus other on-going revenues (rents, royalties, fees, etc.) from the management of 7.2 million acres of transferred land
- Land sales in the Las Vegas Valley and Reno-Sparks areas would likely result in higher values per acre

The Task Force believes that implementation of the aforementioned steps would result in the availability of sufficient capital to cover Year 1 management costs of the 7.2 million acres

transferred during Phase 1 and that no Nevada State General Funds would be required to cover said management costs. After Year 1, the Task Force believes, based upon the analyses included in Appendix E of this report, that the management of the 7.2 million acres of Phase I transferred lands would be self-supporting.

II. Introduction

Nevada covers 110,567 square miles, making it the 7th largest of the 50 states. As shown in Table 1, 81.1 percent of Nevada's land area is administered by various agencies of the federal government, the highest percentage of federal land among all 50 states. As evidenced by Figure 1, some counties in Nevada such as Esmeralda, Lander, Lincoln, Nye, and White Pine have over 90 percent of total county acreage being administered by the federal government. The majority of federally administered land in Nevada is administered by the Bureau of Land Management (BLM). During 2012, BLM administered land in Nevada totaled nearly 47.8 million acres, or 67.5 percent of Nevada's land area. The high percentage of federally administered land in Nevada necessarily results in the state having a paucity of state and private land, ranking last among all 50 states. Figure 2 illustrates the small area of state land which exists in Nevada. The extent of federally administered land in Nevada has been viewed by many as a constraint to expansion and diversification of the State's economy and tax base as well as conservation of key components of its flora and fauna. Many important decisions regarding authorization of land uses and environmental management face institutional and temporal uncertainty as decision-making is subjected to myriad of federal statutes, regulations and policies and decision-making is often relegated from local to state offices then on to agency leadership in Washington, D.C.

Table 1. Percentage of Federal, Private and State Land in Select Western States

Area	Percent Federal Land	Percent Private Land	Percent State Land
Nevada	87.6	12.2	.2
Arizona	42.3	43.2	14.5
Idaho	61.7	29.6	8.7
New Mexico	34.7	52.6	12.7
Utah	66.5	24.8	8.7

Sources: Congressional Budget Office; Federal Land Ownership: Overview and Status; http://www.summitpost.org/public-and-private-land-percentages-by-us-states/186111

Federal land management policies may serve to constrain economic development while the availability of private land may encourage economic expansion. A recent study found that production of oil and gas on private property in the Mountain West region encompassing Wyoming, Utah, Colorado, New Mexico, Montana, Nevada, and Idaho has outpaced production from federal lands. While crude oil output on federal lands in the region increased almost 14 percent since 2009, production on private lands has increased at 28 percent, twice that rate. While production growth of natural gas and natural gas liquids on private lands in the region has grown 0.9 percent since 2009, production of these products on federal lands has *declined* 5.4

Figure 1. Nevada Land Status

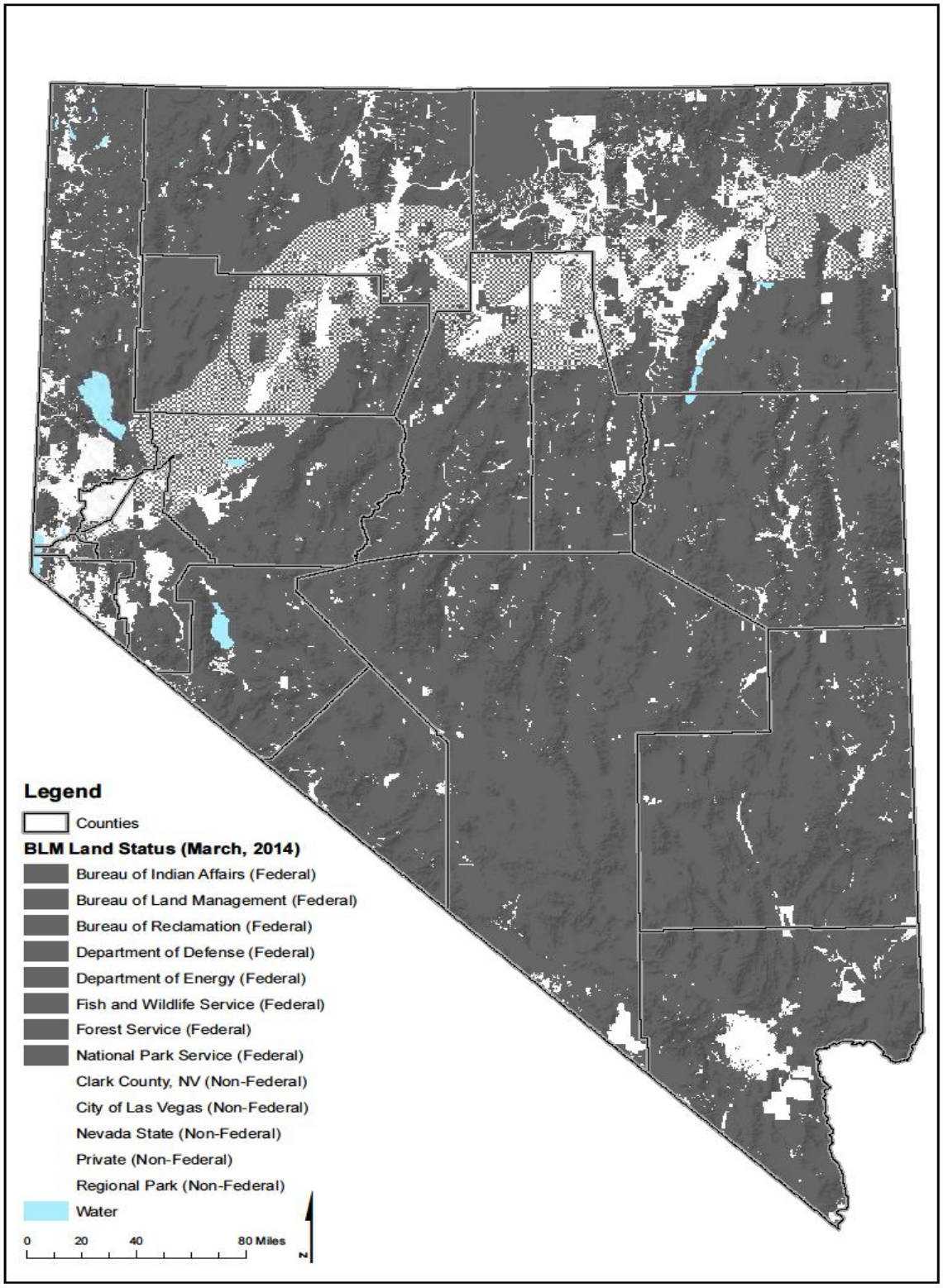
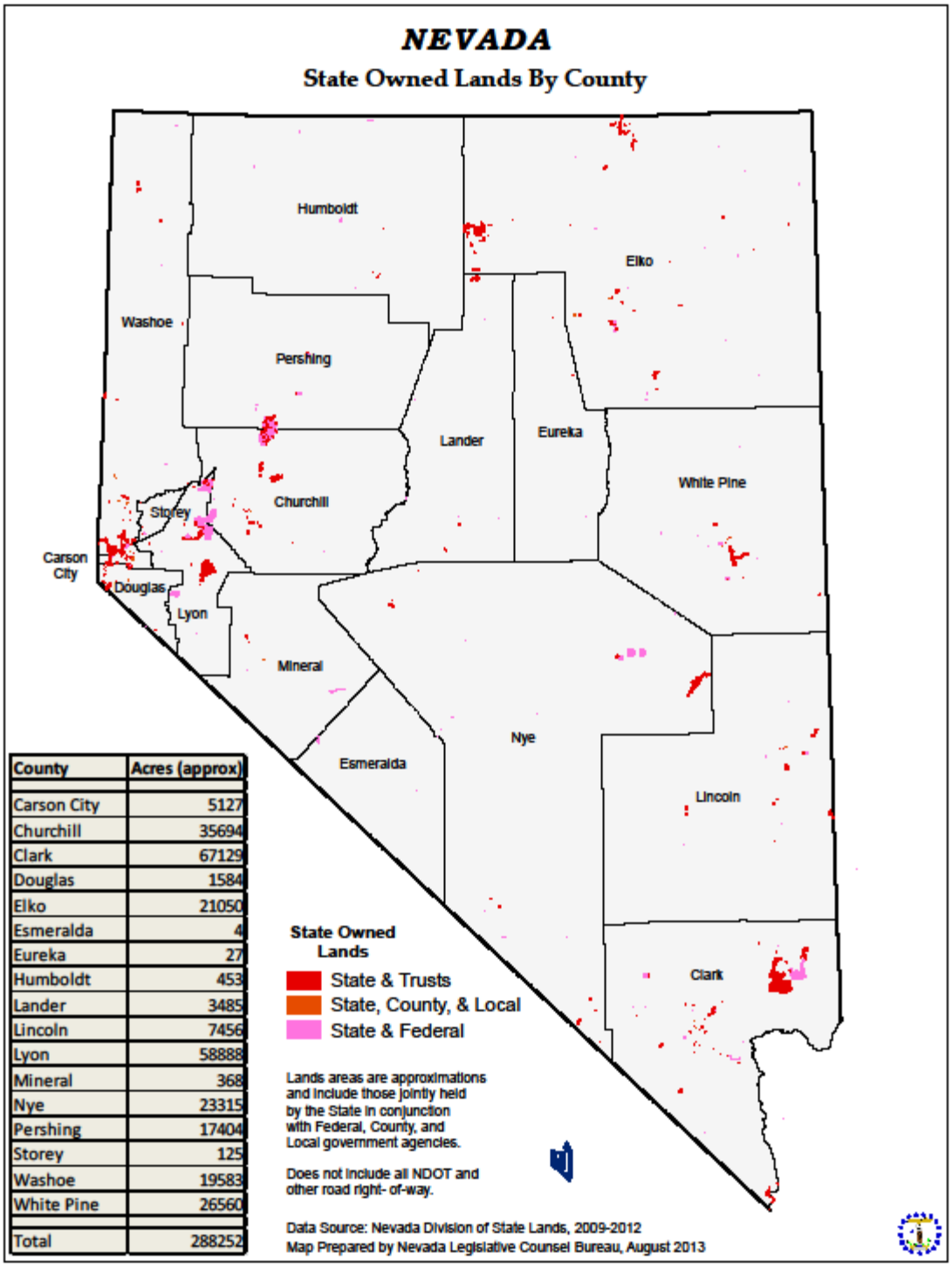


Figure 2. Land Owned by the State of Nevada by County



County	Acres (approx)
Carson City	5127
Churchill	35694
Clark	67129
Douglas	1584
Elko	21050
Esmeralda	4
Eureka	27
Humboldt	453
Lander	3485
Lincoln	7456
Lyon	58888
Mineral	368
Nye	23315
Pershing	17404
Storey	125
Washoe	19583
White Pine	26560
Total	288252

percent. (http://endfedaddiction.org/wp-content/uploads/2013/09/Economic-Value-of-Energy-Resources-on-Federal-Lands-Final-Revision-9.17.13.pdf). In enacting the Federal Land

Management and Policy Act, Congress recognized the important role that disposal or transfer of public land can play by including among other criteria for determining whether a parcel of public land would be eligible for disposal the following:

(3) disposal of such tract will serve important public objectives, including but not limited to, expansion of communities and economic development, which cannot be achieved prudently or feasibly on land other than public land and which outweigh other public objectives and values, including, but not limited to, recreation and scenic values, which would be served by maintaining such tract in Federal ownership. (43 U.S.C. § 1713(a))

In response to these concerns, A.B. 227 was introduced and debated during the 77th session of the Nevada Legislature, passed and approved by Nevada Governor Sandoval and became effective June 1, 2013. A.B. 227 is included as Appendix A to this report.

A.B. 227 (Chapter 299, *Statutes of Nevada 2013*) established the Nevada Land Management Task Force. A.B. 227 requires that a study be produced as a result of the Task Force's work, specifically covering three main things: 1) an economic analysis including costs and revenues associated with transferring federal lands to the State; 2) a proposed plan for the administration and management of any lands transferred; and 3) an identification of the lands that Task Force determines would be included in any potential transfer. The Task Force must present their findings in one report to the Legislative Committee on Public Lands on or before September 1, 2014.

The Task Force is made up of one representative from each of Nevada's counties. For sixteen of the seventeen counties these are commissioners. Pershing County appointed a member of their Natural Resources Advisory Committee. A listing of Task Force members is included in Appendix B of this report. The purpose of the Task Force is to study the costs, benefits, and other issues surrounding a possible request to transfer some or all of Nevada's federally managed lands to the State. Funding of Task Force expenses has been borne by Nevada's counties. The Nevada Association of Counties (NACO) agreed to provide administrative and fiscal support to the Task Force. Minutes, meeting materials, exhibits and other information pertaining to Task Force meetings can be found on the NACO website at:
http://www.nvnaco.org/index.php?option=com_content&task=view&id=21&Itemid=28
Upon the recommendation of the Task Force, NACO contracted with Intertech Services Corporation of Carson City to assist in gathering data, analysis and preparation of this report.

The Task Force has met twelve times, at various locations around the State. During its many meetings, the Task Force has heard formal presentations from:

- Mr. Jim Lawrence, Administrator, Nevada Division of State Lands
- Mr. Leo Drozdoff, Director, Department of Conservation and Natural Resources
- Mr. Steve Hill, Director, Governor's Office of Economic Development
- Ms. Pam Borda, Executive Director, Northeastern Nevada Regional Development Authority
- Mr. Doug Busselman, Executive Vice President, Nevada Farm Bureau
- Mr. Don Pattalock, President, New Nevada Resources
- Mr. Scott Higginson, representing Clark County
- Mr. David VonSeggeren, Chairman, Toyiabe Chapter of the Sierra Club

- Mr. Larry Johnson, President, The Coalition for Nevada's Wildlife
- Mr. Kyle Davis, Political and Policy Director, Nevada Conservation League
- Ms. Karla Norris, Assistant District Manager, Southern Nevada Public Land Management Act, BLM Southern Nevada District Office
- Mr. Tony Rampton, Assistant Attorney General, State of Utah
- Mr. Mark Squillace, Professor of Law, University of Colorado

A summary of presentations to and testimony before the Nevada Land Management Task can be found in Appendix C. Public comments have been offered by several persons at various Task Force meetings. A listing of persons providing public comment and a summary of their issues raised is included in Appendix D. In addition, various County Commissions in Nevada have discussed draft versions of the Task Force report and recommendations and have taken public comment on said report and recommendations. A listing of the counties and county commission meeting dates at which this report was discussed and web-links to minutes from said meetings is provided in Appendix E.

During its July 18, 2014 meeting, the Task Force reviewed and those members of the Task Force present voted unanimously to approve this report and recommendations for submission to the Nevada Interim Lagislative Committee on Public Lands,

III. Economic Analysis of the Transfer of Public Lands to the State of Nevada

A. Estimated Amount of Net Revenues to be Derived by the State of Nevada from Transferred Lands

The Task Force has determined that the State of Nevada would likely be able to generate significant net revenues from the management of an expanded state land base. This determination is based upon the results of a detailed analysis of the experience of the states of Arizona, Idaho, New Mexico and Utah in managing state trust land portfolios ranging in size from 2.4 million acres (Idaho) to 9.2 million acres (Arizona) during the period of 2008 through 20012. The Nevada Association of Counties commissioned the analysis on behalf of the Task Force. As shown in Table 2 and more thoroughly described in the report entitled, "Comparative Analysis of Revenues and Expenses for State Trust Land Management and Bureau of Land Management in Select States: Implications for an Expanded State Land Base in Nevada" which is found in Appendix E, the Task Force believes that conditions which attended state trust land management in the states of Arizona, Idaho, New Mexico and Utah during the years of 2008 through 2012 are sufficiently similar to those in Nevada to support the assumption that were the Congress to transfer an amount of land commensurate with state trust land holdings in those states that Nevada could achieve net land management revenues ranging between $7.78[1] and $28.59[2] per acre. Achievement of these levels of net revenue would depend upon Nevada adopting a land management strategy essentially similar to the strategies employed by the states of Arizona, Idaho, New Mexico and Utah in managing state trust lands.

[1] Calculated from data in Table 2 as the difference between the lowest five-year multi-state observed low revenue per acre of $16.78 per acre and the highest five-year multi-state observed expense per acre of $9.00 per acre.
[2] As shown in Table 2 as the Four State Average net revenue per acre.

The net revenues described in Table 2 are net of expenses associated with managing state trust lands. In most cases observed during preparation of this report, state trust land management activities are self funded from revenues generated and accrued in each state's permanent or trust fund. In only a few cases were state general fund sources used to support state trust land management functions. Idaho, New Mexico and Utah each cover all or a portion of their trust land management expenses from revenues derived from said management. Arizona obtains its operating funds through legislative appropriations. Each state except New Mexico has its state trust land management operating budget approved by the legislature. (Souder, Jon and Sally Fairfax, Material excerpted from the authors' book, *State Trust Lands: History, Management, and Sustainable Use*, 1995 by the University of Kansas Press; web article entitled "State Trust Lands" which can be found at http://www.ti.org/statetrusts.html.)

Table 2. Five-Year Multi-state Observed High, Observed Low and Four State Average Revenues, Expenses and FTEs[1] (2008-2012)

Category	Observed High	Observed Low	Average
Revenues	$652,347,910	$48,276,287	$240,460,652
Expenses	$23,880,660	$8,586,066	$15,325,490
Net Revenue	$639,111,910	$25,591,016	$223,111,851
Total Acres Managed	9,302,255	2,449,255	6,021,44
Revenue/Acre	$72.40	$16.78	$36.79
Expense/Acre	$9.00	$1.45	$3.73
Net Revenue/Acre	**$72.26**	**$10.00**	**$28.59**
Total FTEs	264	66	160
Acres Managed/FTE	74616	9266	44275
Revenue/FTE	$4,320,184	$182,864	$1,776,061
Expense/FTE	$155,069	$76,367	$102,502
Net Revenue/FTE	$4,311,461	$96,935	$1,644,310

1/ For state trust land management activities in the states of Arizona, Idaho, New Mexico and Utah. As shown in Appendix F the highest observed expense per acre is for Idaho and reflects the management of commercial timber tracts and related harvests. The lowest observed revenue per acre is for Arizona and reflects a significant decline in land sale acreage and value during 2010's recessionary influence.

Source: Derived from data within each state Land Department's *Annual Reports for 2008 through 2012* as shown in Table 10 of *Comparative Analysis of Revenues and Expenses for State Trust Land Management and Bureau of Land Management in Select States: Implications for an Expanded State Land Base in Nevada* which is included as Appendix E.

The transfer of federal land to the State of Nevada may result in a reduction of Payments in Lieu of Taxes and federal revenues derived from land management activities currently provided to counties in Nevada. To address the potential reduction of these revenues, the Task Force is recommending that that payments to local government to replace the revenue lost through reduced federal Payments in Lieu of Taxes (PILT) will be made by the State of Nevada from gross revenues derived through management of federal land transferred to the State of Nevada. The Task Force is further recommending that payments to local governments to replace the amount of revenue which would otherwise have been shared with local governments in Nevada

by the Bureau of Land Management from the sale of materials, mineral leases and permits, grazing permits and other revenues and the Department of Interior Office of Natural Resources Revenue from royalties, rents, and bonuses generated throughout the life of energy and mineral leases on federal lands transferred to the State of Nevada will be made by the State of Nevada from the gross revenue derived by the State for management of those lands,

As shown in Table 3 and assuming that net revenues between $7.78 and $28.59 per acre can be derived by the State of Nevada from management of an expanded state land area and assuming that a Phase I Congressional transfer of land included 7.2 million acres (the Task Force recommendation for Phase I), the State of Nevada might be capable of generating net revenues ranging between $56,016,000 and $205,848,000 annually. Should the Congress elect to transfer title to the balance of BLM administered land in Nevada, excepting Congressionally designated wilderness (2,055,005 acres) and National Conservation Areas (665,503 acres not also included as wilderness) totaling 2,720,508, to the State (which during 2012 would have totaled just over 45 million acres) in subsequent phases, Nevada might generate net revenues ranging between $350,100,000 and $1,286,550,000 annually. It is important to note for perspective that New Mexico generated $639,175,119 in net revenue in managing just 9 million acres of state trust land during 2012. New Mexico is benefitting from the ongoing U.S. oil and gas boom, a production trend which might spread to Nevada in the coming years.

Table 3. Estimated Net Revenue from Expanded State Land Ownership in Nevada Using Four State Net Revenue Models

	Net Revenue Per Acre Value Applied[1]	Total Net Revenue Assuming 7.2 Million Acres of BLM Land Transferred to Nevada	Total Net Revenue Assuming 45,000,000 Acres of BLM Land Transferred to Nevada[2]
Four State Average Net Revenue/Acre Model	$28.59	$205,848,000	$1,286,550,000[3]
Four State Low Observed Net Revenue and High Observed Expense/Acre Model	$7.78	$56,016,000	$350,100,000[3]

1/ Four State Average from Table 10; Four State Low Observed Net Revenue and High Observed Expense is the difference between Low Observed Revenue of $16.78 per acre and High Observed Expense of $9.00 per acre as shown in Table 10.
2/ BLM administers approximately 48 million acres in Nevada, assumed 45 million acre transfer excludes estimated acreages for designated wilderness, National Conservation Areas, National Monuments and other Congressionally designated areas.
3/ While an expanded state land base in Nevada would likely contain mineralized areas and potential for fossil fuel production, the likelihood that such resources would be located within most of the nearly 48 million acres now administered by BLM is not great. As a consequence, a significant (yet admittedly unknown) portion of the public lands in Nevada would not have the potential to generate net revenues of the magnitude observed for other states considered in this study.

It is important to note that said state trust land management strategies are uniformly aimed at the generation of net revenues on a long-term sustainable basis. It is also important that these strategies are different than that employed by the Bureau of Land Management in managing the

Bureau's 47.8 million acre estate in Nevada. As shown in Table 4 and more thoroughly described in the report contained in Appendix F, while the BLM does generate significant gross revenue from land management activities, federal law and regulation and Bureau policy require that the agency expend monies on wide-ranging non-revenue generating land management activities, which resulted in BLM Nevada generating net negative revenues ranging between -$1.40 to -$0.64 per acre during each of the years 2008 through 2012. In addition to managing lands for revenue generating activities such as domestic livestock grazing, mineral production, land sales, active recreational use and rights-of-way for placement of private infrastructure on public lands BLM Nevada manages vast areas of its land area for congressionally designated wilderness and conservation areas and is required by federal law and regulation to undertake costly administrative procedures to design and implement its land management programs.

B. Recommended Disposition of Net Revenue

In its study of other state trust land management programs, the Task Force has observed the important role that the dedication of net revenues to select beneficiaries has seemingly played in states' success in generating net revenues. In each of the four states studied, state trust lands are managed for the express benefit of designated beneficiaries and net revenues are distributed to said beneficiaries each year. In every case the state trust land management for beneficiaries concept is embodied within each state's constitution. Nevada too has a Permanent Trust Fund for the accrual and expenditure of revenues derived from congressionally transferred lands established by its constitution as described in Section 3 of Article XI.

Table 4. BLM Nevada Five Year Revenues, Expenditures and Employment, 2008 – 2012

NV - BLM	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5-Yr. Avg
Revenue Non-ONRR	$47,456,580	$27,170,048	$26,463,030	$23,882,418	$25,114,972	$30,017,409
ONRR Revenue	$30,717,807	$39,683,895	$26,151,969	$17,281,366	$20,891,112	$26,945,229
Total Revenue	$78,174,387	$66,853,943	$52,614,999	$41,163,784	$46,006,084	$56,962,639
Expense	n/a	$97,657,000	$109,657,000	$108,379,000	$108,142,000	$84,767,000
Net Revenue	n/a	-$30,803,057	-$57,042,001	-$67,215,216	-$62,135,916	-$31,118,015
Total Acres Managed	47,808,114	47,806,738	47,805,923	47,794,096	47,783,458	47,799,665
Revenue/Acre	$1.64	$1.40	$1.10	$0.86	$0.96	$1.19
Expense/Acre	n/a	$2.04	$2.29	$2.27	$2.26	$1.77
Net Revenue/Acre	**n/a**	**-$0.64**	**-$1.19**	**-$1.40**	**-$1.30**	**-$0.91**
Total FTEs	697	701	755	786	790	745
Acres Managed/FTE	68,591	68,198	63,319	60,806	60,485	64,279

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense and FTE data from BLM Nevada State Office, correspondence dated February 18, 2014 from Robert M. Scruggs, Deputy State Director, Support Services, response to FOIA request; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012 as presented in *Estimated Net Revenues from an Expanded State Land Base in Nevada* which is included as Appendix F.

Table 5 shows how net revenues derived by the State of New Mexico in managing state trust lands (and interest earned on accrued net revenues) were distributed during 2012.The report in Appendix F describes similar distribution schemes for the states of Arizona, Idaho and Utah. In every case, funding of public education (K-12) is the most significant beneficiary in terms of monies received. Other beneficiaries common among states include public higher education, public medical institutions, public mental health services, and public correctional facilities. As shown in Table 5, New Mexico also provides funding for water reservoirs from net state trust land revenues.

To help insure that state trust lands are managed in a manner that generates net revenues, the Task Force recommends that 1) the transferred lands will be held by the State of Nevada in trust for select beneficiaries; 2) Phase I transferred lands will be managed for long-term net revenue maximization; 3) lands transferred in subsequent phases will be managed for on-going net revenue generation and environmental health, function, productivity and sustainability and 4) the transferred lands will be managed by the State of Nevada in trust for the following beneficiaries:

- Public K-12 education
- Public higher education
- Public specialized education
- Public mental and medical health services
- Social, senior and veterans services
- Public programs for candidate and listed threatened or endangered species recovery plan development and implementation
- local governments to pay for services and infrastructure required on these lands which would otherwise be financed through property tax or other revenues available to local government

C. Land Transfer Costs

In response to Congressional action approving the transfer of public land to Nevada, the federal government and the State of Nevada may incur costs associated with both conveyance and recordation of the lands transferred. As described in more detail below, the language contained in the Act resulting in the transfer of public land to Nevada can serve to both minimize ambiguity about, and minimize the costs associated with, the land transfer process. A discussion of these potential costs follows.

Federal Government – Unless specifically exempted from doing so by the land transfer legislation, the federal government would typically be required to undertake the following steps in conveying public land to the State of Nevada through a transfer:

1. Perform a Phase I Environmental Site Assessment to identify the presence or absence of any hazardous substances on the subject property. Disposal of real property is any action in which the United States conveys or otherwise disposes of real property. Prior to the disposal of any real property, the BLM must determine the likelihood of hazardous substance, petroleum products, other environmental contamination, solid waste issues, or physical hazards on the real property. (BLM Manual H-2000-02, *Environmental Site Assessments for Disposal of Real Property*, August 2012; p.19)

Table 5. Distribution of Net Revenue and Investment Income Derived From New Mexico State Trust Lands: Selected Beneficiaries (2012)

Beneficiary	Amount Received
Common Schools (K-12)	$544,244,931
University of New Mexico	$9,482,298
New Mexico State University	$2,955,919
New Mexico Military Institute	$1,558,074
Miner's Hospital	$7,401,699
Behavioral Institute	$2,986,671
State Penitentiary	$11,416,378
School for the Deaf	$11,635,495
School for the Visually Impaired	$11,613,393
Water Reservoirs	$7,278,813

Source: 2011-2012 Annual Report, New Mexico State Land Office.

A Phase I Environmental Site Assessment consists of five basic components: (1) a review of local, state, and federal government environmental records; (2) a review of historical sources pertaining to past site uses and environmental issues; (3) interviews with owners, occupants, and other individuals in regard to property history, property use, and environmental issues; (4) a site reconnaissance to identify present and past uses and recognized environmental conditions, if present; and (5) preparation of a written report describing the Phase I procedures, findings, and conclusions. While legislation designed to transfer public land to the State of Nevada could resolve the federal government of the requirement to complete environmental site assessment of lands to be conveyed and thus reduce significantly the cost to the federal government of processing said transfer, the State of Nevada would want to ensure that the liability for the costs of cleaning up any contamination discovered on conveyed lands remained with the federal government. Given that most, if not all lands which would be subject of transfer from the federal government to Nevada are undeveloped, the risks of contamination from past use may be quite low. In areas where the risks of contamination appear unacceptable, the Phase I Environmental Assessment process could be undertaken at a cost per parcel which might range from between $2,000 and $3,000 or more depending on the property (http://cre-expert.com/blog/archives/283).

2. **Survey the property** to enable a legal description of same to be included on a patent (deed) document. A simple survey to establish the boundaries of a residential parcel can cost as much as $900.00 (http://www.homeadvisor.com/cost/architects-and-engineers/hire-a-land-surveyor/). The greater the size of the parcel; the more remote its location; the more rugged its terrain and the more irregular its shape, the more costly will be the cost of surveying the site and developing a legal description of same. Obviously, given the extant nature, remoteness and inaccessibility of public land in Nevada which may be subject of transfer legislation, the cost of surveys to establish legal descriptions of the land to be conveyed could be very significant. One means to mitigate the cost of providing the necessary legal description of public land to be transferred would be to limit to the maximum extent possible the transfer to those lands which have already been surveyed by the BLM and /or are capable of being described on an aliquot parts basis. Because the land is not being sold to the State, other requirements of the federal government associated with disposal of land by sale would likely not apply to a transfer of public land such as the following:

1. Publication of a Notice of Realty Action in the Federal Register.
2. Compliance with NEPA through preparation of an environmental assessment addressing the proposed land transfer.
3. Completion of an appraisal of the property to be transferred to establish its Fair Market Value.

State of Nevada - Upon conveyance from the federal government, the State Land Registrar will be required to include such lands in the record of all lands and interests in land held by the Nevada Division of State Lands pursuant to NRS 321.001 and of all lands and interests in land which have been sold by the Division. These records, together with all plats, papers and documents relating to the business of the State Land Office, must be open to public inspection during office hours at no charge. (**NRS 321.040)**

Pursuant to NRS 321.090 the State Land Registrar may select lands on behalf of the State of Nevada in accordance with the terms of any grant authorized by the Congress of the United States. Further, NRS 321.110 provides the following provisions regarding the acceptance of land grants by the Governor or State Land Registrar:

1. Pursuant to the laws of the United States, when any lands are offered to the State of Nevada by the United States Government or any department thereof, the Governor or the State Land Registrar may accept the lands and the possession and title thereof in the name of the State of Nevada and take all necessary steps to comply with any requirement and condition mentioned in the offer.

2. The State of Nevada shall negotiate for the acquisition of any such lands obtained pursuant to 1 above as an unconditional grant by the United States Government to the State of Nevada without any other considerations, and that if the State of Nevada is unable to acquire those lands in the manner indicated, the Governor or the State Land Registrar may obtain those lands on the best terms available.

The State Land Registrar will incur unspecified costs to include information regarding any public land transferred to Nevada in the public records of the Registrar's Office. Said information may include conveyance documents in the form of patents or deeds; existing mining claims; grants for existing land use authorizations such as right-of-way; and grazing permits, among others. In addition, the State Land Registrar may be called upon to assist in the selection of lands to be conveyed and the terms upon which said conveyance, unless specifically defined in federal transfer legislation, shall be accomplished. The Division of State Lands land records management function has a current annual budget of $155,000 annually and maintains records for State Lands totaling nearly 196,000 acres (including 2,900 acres of original school trust lands). Currently, the Division of State Lands appears to spend an estimated $1.26 per acre for land records management.

The Task Force heard concerns from members of the Nevada Legislative Committee on Public Lands that the management of lands transferred to the State of Nevada should, to the extent practical not require monies from Nevada's General Fund. The analysis of fiscal impacts contained in Appendix E of this report demonstrates unequivocally that the management of lands transferred to the State should be capable of generating revenues in excess of land management

costs. However, the issue of what monies will be required to manage transferred lands at the point of transfer and where will said funds come from must be addressed. In keeping with a goal for the management of transferred lands to be self-supporting, the Task Force has come up with the following plan for financing start-up transferred land management costs. Elements of the plan include:

- No Nevada State General Fund expenditures to manage 7.2 million acres of Phase I transferred lands
- A portion of the 7.2 million acres of transferred lands to the State of Nevada to be collateralized
- Short to intermediate term debt to be incurred by State of Nevada for land management start-up capital
- The observed four-state, five-year average expense per acre of $3.73 (see Table 10 of Appendix E of this report) can be assumed as the Year 1 land management cost per acre for lands transferred to the State of Nevada
- Estimated first year State of Nevada expense for management of 7.2 million acres is estimated at $26,856,000
- As soon as possible after patenting and recordation of the Phase I transferred land, the sale of select parcels to generate start-up capital and repay debt would occur
- A first year sale of up to 30,000 acres from among those lands previously identified for disposal by BLM at an assumed $1,000/acre would yield $30 million plus other on-going revenues (rents, royalties, fees, etc.) from the management of 7.2 million acres of transferred land
- Land sales in the Las Vegas Valley and Reno-Sparks areas would likely result in higher values per acre

The Task Force believes that implementation of the aforementioned steps would result in the availability of sufficient capital to cover Year 1 management costs of the 7.2 million acres transferred during Phase 1 and that no Nevada State General Funds would be required to cover said management costs. After Year 1, the Task Force believes, based upon the analyses included in Appendix E of this report, that the management of the 7.2 million acres of Phase I transferred lands would be self-supporting.

County Government – Documents conveying the transferred former federal land to the State of Nevada will likely need to be recorded in the offices of the respective Nevada counties where the transferred land is located. In addition, copies of existing land use authorizations for conveyed lands within each county such as mining claims, right-of-way, and grazing permits, among others may also need to be recorded or otherwise included in the official records maintained by each county. County Fees for recording documents are generally established by Nevada Revised Statute and run around $17.00 for the first page and $1.00 for each additional page. Fees for recording mining documents tend to be in the range of $14.00 to $17.00 plus $4 to $8.50 per map or claim. These fees are intended to reflect the cost of recording and represent the likely cost to counties to record information regarding transferred lands in county information systems.

D. Revenue Sources for State Management of Transferred Lands

Ultimately, once conveyed with patents and other land use authorization documents recorded in the records of the State of Nevada and her counties and as see in other states, revenues generated from the management and disposition of the transferred lands should be sufficient to cover administration and maintenance of transferred lands. However, on day one of a transfer, no revenues will have yet been generated and expenses, such as those associated with recording conveyance documents and related existing land use authorizations upon said transferred lands, will be incurred. As a consequence, it will be necessary for Nevada to have established a budget and provided funding to cover such costs until the transferred lands begin to generate revenues from which such costs can be paid.

Conceptually, General Fund or other State of Nevada monies could be made available on a temporary basis to jump-start the administration and management of transferred lands. As the transferred lands begin to generate revenues these costs could be covered by gross land management revenues. As the lands begin to produce net revenues as described in Section A above, the General Fund or other State of Nevada monies utilized to cover initial land administration and management costs could be repaid.

Alternatively, or following the initial use of and to minimize the need for State General Fund monies, it may be possible to collateralize a portion of the transferred lands and for the State to assume short to intermediate term debt to cover initial administrative and management costs. Transferred lands that have been previously identified as suitable for disposal (and may be among the highest value lands transferred to the State) could be used as collateral to secure short term financing to cover initial administration and land management costs. Once sold, the debt could be retired and excess funds from the land sale used to cover continuing costs of administration and land management. This approach could be used until the administration and management of remaining transferred lands becomes self supporting.

E. Land Management Related Revenue Distributed to State and Local Government in Nevada

While the Task Force has determined that the State of Nevada can generate significant net revenues from select transferred lands, an important consideration regarding the feasibility of such a transfer is the extent to which said net revenues would exceed or be offset by any loss in revenue from federal land management activities which is currently shared with the State and her counties. As shown in Table 5, significant funds are paid annually by the federal government from land management activities to the State of Nevada and her counties. During the years 2008 through 2012, distribution of a portion of the revenues generated through primarily surface land management activities by BLM in Nevada to the State of Nevada and local governments ranged between $1,465,948 and $5,447,044 annually. During those same years, the Department of Interior's (DOI) Office of Natural Resources Revenue (ONRR) distributed a portion of revenues generated primarily from subsurface management activities by BLM in Nevada to the State of Nevada and local governments ranging between $9,794,788 and $28,744,481. Finally, during the years 2008 through 2012, the Congress, exercising its discretion, authorized Payments In Lieu of Taxes (PILT) to Nevada ranging from $22,610,017 to $23,917,845.

As shown in Table 6, during the period 2008 through 2012 the combined total of these sources of federal payments to the State of Nevada and her counties has ranged between a low of $0.72 to a high of $1.13 per acre of land managed by BLM in Nevada. In contrast, as described in Section A. above, the Task Force has determined that Nevada could achieve net land management revenues ranging between $7.78 and $28.59 per transferred acre managed. Assuming all BLM land in Nevada was transferred to the State and federal revenue sharing were to cease, the gain in net revenue per acre to the State would be on the order of $7.06 to $27.46 per acre. Given that it is not likely that all federal land in Nevada would transferred to the State, a component of federal revenue sharing would likely continue as it does in neighboring states with much higher acreages of state trust land and much lower percentages of federally administered land.

F. Fire Suppression

The Task Force acknowledges concerns over the extent to which wildfire suppression costs may challenge the ability of the State of Nevada to adequately protect an expanded state land area and simultaneously generate net revenues for the benefit of trust beneficiaries. To date, the Task Force has been unable to assemble and analyze recent BLM and other-state fire suppression cost data across the four-state region considered in assessing the financial feasibility of a congressional transfer of federally administered land to the State of Nevada. For Nevada, Mr. Pete Anderson, Nevada State Forester provided historical data on the number, size and costs incurred by the Nevada Division of Forestry (NDF) in suppressing wildland fires for the years 2000 through 2011 (see Table 7 and Figure 1). As shown in Table 6, the number and size of fires on private and state land responded to by the Nevada Division of Forestry in Nevada has increased over the past six years. During the six-year period of 2008 through 2013, the average annual number of fires was 65 and the average annual size of fires was 585 acres and the annual average acreage burned was18,953.

According to Mr. Anderson, the vast majority of NDF's fire response are to fires on federal land both in-state and out of state. NDF provides initial and extended attack on federal land statewide via individuals, hand crews, engines, kitchens and helicopters. NDF bills the responsible federal jurisdiction for its fire suppression services. In turn, the federal agencies (typically BLM and U.S. Forest Service) bill NDF when they send their resources to fires on private and state land in Nevada. Mr. Anderson noted that states currently rely on the federal agencies providing the air tankers, helicopters, Incident Management Teams and other "expensive" components of wildfire suppression. This is true for Nevada and in western states with significantly less federal land and more state land than Nevada. Mr. Anderson expressed concern that a reduction in federal lands due to transfers to the State of Nevada might result in cutbacks of equipment and personnel currently fully funded by the government. In that case, Mr. Anderson noted that the State of Nevada may face shortages of critical resources when wildfire activity is high as the federal government would be focusing on its lands. As a consequence, there may be a need to expand the State of Nevada's prevention-preparedness-suppression-rehabilitation capabilities over time.[3]

[3] Email from Mr. Pete Anderson, Nevada State Forester, July 17, 2014.

Table 6. Bureau of Land Management Nevada, Department of Interior Office of Natural Resources Revenue and Payment In-Lieu of Taxes Revenue Distribution to Nevada State and Local Governments

Revenue Source	2008	2009	2010	2011	2012
BLM NV Revenue Dist. to NV State/Local Govt.	$5,447,044	$2,136,862	$2,560,635	$1,465,948	$1,725,963
DOI ONRR Revenue Dist. to NV State/Local Govt.	$17,622,148	$28,744,481	$17,059,292	$9,794,788	$11,785,382
PILT Payment to Nevada	$22,610,017	$23,269,350	$22,753,204	$22,942,298	$23,917,845
Total BLM NV/ONRR/PILT Revenue Dist. To NV State/Local	$45,679,209	$54,150,693	$42,373,131	$34,203,034	$37,429,190
Total Acres Managed by BLM in Nevada	47,808,114	47,806,738	47,805,923	47,794,096	47,783,458
Total Revenue Dist. to NV State/Local Govt./Acre Managed	$0.96	$1.13	$0.87	$0.72	$0.78

Sources: BLM NV Revenue, PILT and Acres Managed data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012; ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012.

Table 7. Number and Acreage Burned for Fires on Private and State Land Responded to by the Nevada Division of Forestry, 2008-2013

Year	Number of Fires	Total Acreage Burned
2008	34	26
2009	47	886
2010	52	2,539
2011	74	118,806
2012	90	53,297
2013	92	51,886

Source: January 7, 2014 email from Pete Anderson, Nevada State Forester, Nevada Division of Forestry, Nevada Department of Conservation and Natural Resources, Carson City, Nevada.

Federal Emergency Management Agency (FEMA) Fire Management Assistance grants are available to Nevada and its local and tribal governments, for the mitigation, management, and control of fires on publicly or privately owned forests or grasslands, which threaten such destruction as would constitute a major disaster. The Fire Management Assistance Grant (FMAG) provides a 75 percent Federal cost share and the State pays the remaining 25 percent for actual costs. Eligible firefighting costs may include expenses for field camps; equipment use, repair and replacement; tools, materials and supplies; and mobilization and demobilization activities. The availability of FMAG grants would serve to mitigate possible increased costs associated with wildland fires on an expanded State of Nevada land base. However, according to Mr. Anderson, the criteria for FMAG award has been tightened significantly. He noted further that unless there are numerous structures and infrastructure directly threatened with imminent destruction it is now next to impossible to get an FMAG[4].

As shown in Figure 3, the annual cost incurred by NDF in suppressing wildfires on private, state and federal land in all locations (including many outside the State of Nevada) during the period 2000 through 2011 averaged $5,593,260 of which $2,641,697 or 47.23 percent was funded by Nevada General Fund monies and the balance of $2,951,563 or 52.77 percent was funded by other non-state sources, primarily the federal government. Given an average annual 18,953 acres have burned and an average annual General Fund expense for fire suppression of $2,641,697, the twelve – year average NDF State-funded cost per acre for fire suppression in Nevada was $139.38 per acre burned.

Currently, the State of Nevada contains approximately 8.8 million acres of private and state land of which an estimated 500,000 to 550,000 acres are located within urban areas not typically subject to NDF wildfire suppression (for example the metropolitan Las Vegas valley contains approximately 384,000 acres; the metropolitan Reno-Sparks area contains approximately 90,880 acres and the City of Elko contains approximately 10,000 acres). Considering that annual NDF state-funded wildfire suppression costs averaged $2,641,697 over the twelve-year period 2000 through 2012, the state cost per non-urban private and state acre in Nevada averaged $.32 per acre. The nonmetropolitan/urban area of private and state land in Nevada would be increased by an estimated 87 percent from 8.3 million acres to an estimated 15.5 million acres if a congressional transfer of 7.2 million acres to the State of Nevada were to occur. At $.32 per acre, it is estimated that the addition of 7.2 million acres to the State of Nevada's land portfolio might, on average, add an additional $2,304,000 per year in wildland fire suppression costs.

A 1996 study completed for the Board of Eureka County Commissioners identified the potential impacts of fire suppression costs and ways to manage costs in the event the State of Nevada secured an expanded State land base. The study found that while total BLM fire costs in Nevada appear to range between $212 and $264 per acre, fire suppression costs of the State of Nevada ranged between $30 and $80 per acre during the period 1990 through 1994. The average size of fires responded to by the State of Nevada ranged from 2 to 111 and averaged approximately 32 acres over the four-year period. During the period of 1990 through 1993, fires on BLM managed land averaged 78 acres in size. The 1996 study further concluded that under conditions of an assumed transfer of public land to the State of Nevada, expectations of fire suppression costs

[4] Email from Mr. Pete Anderson, Nevada State Forester, July, 17, 2014.

Figure 3. State of Nevada
Fire Suppression Costs; All Fires

2000	$7,192,374	- 43.61%	G.F. Responsibility
2001	$8,123,125	- 7.56%	G.F. Responsibility
2002	$4,726,681	- 40.51%	G.F. Responsibility
2003	$3,144,310	- 31.33%	G.F. Responsibility
2004	$2,802,363	- 4.05%	G.F. Responsibility
2006	$5,572,976	- 60.36%	G.F. Responsibility
2007	$11,929,366	- 38.53%	G.F. Responsibility
2008	$9,691,963	- 66.42%	G.F. Responsibility
2009	$2,231,517	- 38.53%	G.F. Responsibility
2010	$1,584,824	- 44.51%	G.F. Responsibility

Average Cost of NDF Firefighting
Last 3-Year Average: $2,464,271 - 48.54% G.F.
Last 5-Year Average: $5,802,829 - 50.11% G.F.
Last 10-Year Average: $5,593,260 - 47.23% G.F.

Source: Attachment to January 7, 2014 email from Pete Anderson, Nevada State Forester, Nevada Division of Forestry, Nevada Department of Conservation and Natural Resources, Carson City, Nevada.

would be for significantly lower total expenditures than has been true for BLM. The complete Fire Suppression section including data tables from the 1996 report are included in Appendix G.

IV. Identification of Public Lands to be Transferred to the State of Nevada

A. Land Transfer Should be Completed in Phases

Because Nevada currently only holds and manages less than 200,000 acres, of which approximately 2,900 acres are State Trust Lands, the Task Force recognizes that fiscal and staffing considerations suggest that the State would be well served to accept transferred federal lands in phases. The Task Force further believes that any phasing strategy must be focused in the beginning on lands which offer immediate revenue generating potential so as to enable the State early access to monies from which an expanded State Trust land management capacity can be established with minimal impact upon the State General Fund .

B. Land to be Transferred During Phase I

During its various meetings, the Task Force considered a variety of options regarding what federal lands might be considered for transfer to the State of Nevada. Discussions of which lands to be transferred were initially framed by defining those federal lands which should be excluded from any transfer. Consideration of which lands to exclude from transfer was focused in part by a need to maintain the integrity of environmentally sensitive and culturally important areas designated by Congress for special management such as wilderness, national parks, national monuments, national recreation areas, national wildlife refuges, national conservation areas, federally recognized Indian reservations and other lands administered by the Bureau of Indian Affairs and land designated by the Bureau of Land Management as Areas of Critical Environmental Concern to protect the Desert Tortoise. Ultimately, it was determined that these areas should be excluded from any transfer to the State of Nevada.

The importance of federal military installations and federal energy research and development areas to the national security and Nevada's economy were also recognized. To ensure the continued availability of these areas to support the national defense and contribute to Nevada's economy, existing active Department of Defense and Department of Energy land installations and related land areas were identified for exclusion from any transfer to the State of Nevada.

Another issue framing the identification of which lands to be transferred considered the ability of Nevada to establish and maintain an expanded land management capacity in a manner which does not adversely impact other existing state operations and funding. The concept of self-funding of an expanded state land management function was embraced by the Task Force as a goal. Consequently, two key objectives were identified including 1) phasing of a federal to state land transfer to enable absorption of an expanded land management function in a fiscally neutral and sustainable manner and 2) selection of lands for transfer during Phase I having immediate potential for collateralization, minimal management costs and generation of net revenues in a short term. The ability to generate revenues in the short term led to the inclusion below in federal lands identified for transfer in Phase I of lands previously identified by BLM or local governments as suitable for disposal and/or development potential.

The Task Force applied these framing considerations and has identified the following public lands in Nevada for inclusion in a proposed Phase I land transfer:

- BLM administered parcels of land remaining within the original Central Pacific Railroad corridor along Interstate 80 in Northern Nevada (BLM Checkerboard)
- Lands identified by BLM as suitable for disposal or currently moving forward in planning documents for federal land use plans that have not yet been disposed of (Identified by BLM as Suitable for Disposal)
- BLM lands under existing Recreation & Public Purposes (R&PP) Act lease (Existing BLM R&PP Leases)
- BLM lands authorized under Rights-of-Way granted to the State and local governments and non-linear Rights-of-Way granted to private parties (Existing BLM ROW Grants)
- BLM held subsurface estate where the surface estate is privately held (BLM Split Estate)
- BLM lands designated by the Secretary of the Interior as Solar Energy Zones (BLM Designated Solar Energy Zones)
- BLM lands leased for geothermal exploration and utilization (BLM Geothermal Leases)
- BLM lands authorized for disposal within enacted and introduced federal legislation (Enacted and Proposed Congressional Transfers of BLM Land)

Table 8 lists the estimated acreage for each of the identified classes of public land identified for transfer during Phase I.

<u>BLM Checkerboard</u> -The Task Force has determined that one of the issues which confounds the economy of Nevada and can serve to impede conservation objectives of land management is the split nature of ownership rights associated with the federal estate in Nevada. When the federal government administers lands intermingled with parcels of private land, issues surrounding access, water rights and water use, and grazing management can be confounded on both public and private lands involved. Nowhere in Nevada is this issue of complexity of surface land management more apparent than within the area known as the BLM administered land remaining within the original Central Pacific Railroad corridor along Interstate 80 in Northern Nevada, otherwise known as the "checkerboard".

The Task Force believes that if transferred to the State of Nevada, the BLM administered checkerboard parcels represent the opportunity for the State of Nevada to undertake immediate action to sell certain of these lands and/or to exchange them with private land owners to both increase the management viability and revenue generation potential of the lands and to increase the value of the resulting State Trust Land portfolio. It is estimated that BLM administered checkerboard parcels of land total approximately 4,230.600 acres (see Figure 4). The Task Force recommends that these lands be transferred to Nevada during Phase I.

<u>Identified by BLM as Suitable for Disposal</u> - BLM is authorized through various laws to identify and dispose of public land. Sec. 203 of the Federal Land Policy and Management Act (FLPMA) authorizes the Secretary of Interior to sell a tract of the public land (except land in units of the National Wilderness Preservation System, National Wild and Scenic Rivers Systems, and National System of Trails) where, as a result of BLM land use planning, the Secretary determines that the sale of such tract meets certain disposal criteria which include:

Table 8. Lands Identified for Transfer from the Federal Government to Nevada During Phase I

Description	Estimated Acreage
BLM Checkerboard	4,230,600
Identified by BLM as Suitable for Disposal	1,000,000
Existing BLM R&PP Leases	200,000
Existing BLM ROW Grants	255,000
BLM Split Estate	300,000
BLM Designated Solar Energy Zones	60,395
Existing BLM Geothermal Leases	1,045,079
Approved and Proposed Congressional Transfers of BLM Land	250,000
Total Estimated Phase I Acreage	7,281,074

Sources: Spilt Estate: http://www.blm.gov/wo/st/en/info/About_BLM/subsurface.html; Geothermal Leases: As of 9/30/12; Department of Interior, BLM, *Public Land Statistics*, Volume 197, Tables 3-13 and 3-14, June 2013; SNPLMA; 29,284 remaining as of 9/30/13; http://www.blm.gov/pgdata/etc/medialib/blm/nv/field_offices/las_vegas_field_office/snplma/pdf/reports.Par.12274.File.dat/PROGRAM%20STATISTICS%20Thru%20%20September%202013.pdf

(1) such tract because of its location or other characteristics is difficult and uneconomic to man-age as part of the public lands, and is not suitable for management by another Federal department or agency; or

(2) such tract was acquired for a specific purpose and the tract is no longer required for that or any other Federal purpose; or

(3) disposal of such tract will serve important public objectives, including but not limited to, expansion of communities and economic development, which cannot be achieved prudently or feasibly on land other than public land and which outweigh other public objectives and values, including, but not limited to, recreation and scenic values, which would be served by maintaining such tract in Federal ownership.

BLM typically identifies and evaluates parcels of public land as potentially suitable for disposal during their periodic land use planning activities. In a draft 1999 document, the Nevada Division of State Lands determined that various BLM land use plans in Nevada had identified 1,112,419 acres of public land as suitable for disposal. (Nevada Division of State Lands, *BLM Lands Identified for Disposal*, March 19, 1999). Largely due to focus and spending on other land management priorities, during the past 15 years very little of the land identified by BLM for disposal in Nevada has been processed for sale and sold.

More recently, BLM Districts in Nevada have or are in the process of updating their land use plans. For example the Ely Resource Management Plan, which was adopted in August 2008, identifies 75,582 acres of public land in the Ely District as suitable for disposal. This is down from the 90,008 acres identified in the previous land use documents upon which the Division of State Lands based its 1999 estimate. Resource Management Plan updates are being prepared for most other BLM districts in Nevada and updated estimates of lands identified as suitable for

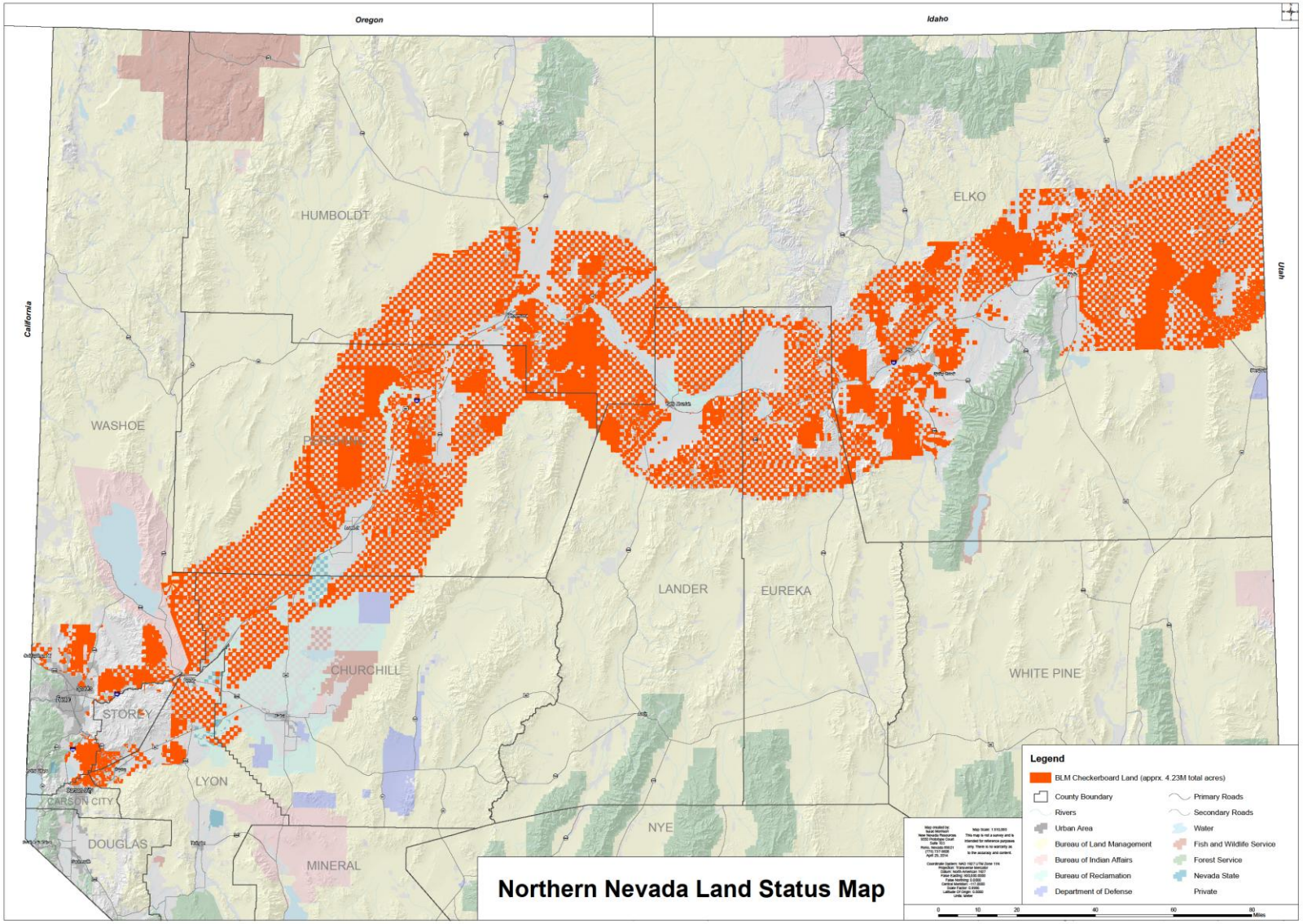


Figure 4. BLM Checkerboard Land

disposal are not yet available for most BLM districts in the state. The Task Force is recommending that all lands previously identified as suitable for disposal in BLM land use plans or currently moving forward in planning documents for federal land use plans but not yet disposed of (estimated to be 1,000,000 acres) be transferred to the State of Nevada during Phase I.

Existing BLM R&PP Leases - The Recreation and Public Purposes Act of 1954 (R&PP) authorizes the sale or lease of public lands by BLM for recreational or public purposes to State and local governments and to qualified nonprofit organizations. Applications are made to BLM for R&PP sites and upon approval are leased to the applicant until such time as the property is fully improved to reflect its intended public purpose. At that time, BLM can sell the land which subject of the R&PP lease to the lease. Unfortunately, the Task Force learned during its deliberations that requests to obtain patent to R&PP land have taken many years to process and many thousands of acres of leases are now occupied by fully developed public facilities.

During his December 6, 2013 presentation to the Task Force Mr. Scott Higginson, representing various local government entities in Clark County, cited examples of public facilities located on public land under BLM issued R&PP leases which said local governmental entities would like to see included in the Task Force proposal for transfer as including flood control detention basins; fire stations; police stations and training facilities; public schools; public parks; community centers; trail heads and related facilities; reservoirs and pumping stations and the Spring Mountain Youth Camp. Mr. Higginson noted that these local governments held R&PP leases totaled approximately 15,880 acres. Clark County has previously approached Nevada's congressional delegation about seeking legislation transferring the land which is covered by these R&PP leased lands from the BLM to the County. While it is known that the State of Nevada and many, if not all, Nevada counties hold BLM issued R&PP leases, the total acreage of this class of land use authorizations is not known. Recognizing that Clark County holds approximately 15,880 acres of R&PP leases, and the State of Nevada and other local governments in Nevada each likely hold R&PP leases, it is estimated that the total acreage of such leases to the State and local governments in Nevada may exceed 200,000 acres. Because the terms of existing BLM issued R&PP leases can restrict a holder from making any changes in the land use subject to said authorization without additional processing time and expense, the Task Force recommends that all lands under existing R&PP leases held by the State of Nevada and her local governments be transferred to the State of Nevada during Phase I. Transferred lands under R&PP lease held by local governments would in turn be transferred by the State of Nevada to said local governments at no cost.

Existing BLM ROW Grants - In addition, pursuant to FLPMA, BLM is authorized to grant rights-of-way to State and local governments and to qualified nonprofit organizations for various public facility and infrastructure needs. These tend to be, but are not limited to linear in nature. In testimony before the Task Force, a representative of Clark County reported that it held BLM issued rights-of-way totaling 17,000 acres. While it is known that the State of Nevada and many, if not all, Nevada counties hold BLM issued rights-of-way grants, the total acreage of this class of land use authorizations is not known.

BLM is also authorized to grant rights-of-way to private parties and industry for various economic uses of the public land. Examples include sites for coal, natural gas, wind, solar and geothermal power plants and telecommunications sites. These rights-of-way tend to be non-linear in nature and host industrial facilities. It is not known how many acres of such non-linear rights-of-way have been granted by BLM and exist within Nevada but an estimate of 5,000 acres is used in this report.

Given that rights-of-way include those for roads owned by the State of Nevada and local governments, it is estimated that the acreage of this class of land to be transferred likely exceeds 250,000 acres statewide. For example, the right-of-way for U.S. Highway 93 is in most places is 400' wide and the highway stretches 500 miles across Nevada for an estimated total of 24,259 acres. Combined, it is possible that State of Nevada and local government held BLM issued R&PP leases and rights-of-way total in excess of 450,000 acres. Because the terms of existing BLM issued rights-of-way can restrict a holder from making any changes in the land use subject to said authorization without additional processing time and expense, the Task Force recommends that all lands under existing BLM granted rights-of-way held by the State of Nevada and her local governments and all lands under existing BLM granted non-linear rights-of-way held by private entities be transferred to the State of Nevada during Phase I.

BLM Split Estate - Where the federal government administers the surface and the subsurface, decisions regarding land use authorizations can take inordinate amounts of time to be processed; are subject to multiple layers of decision-making and can pose a financial burden to those requesting said authorizations. In many cases, while the land surface is privately owned, the federal government has retained the subsurface estate placing private surface land use and investment at risk. Finally, the Task Force intends that all valid existing land use authorizations be continued on all public land transferred to the State of Nevada. In some cases, BLM may hold surface and/or groundwater rights which are appurtenant to valid existing land uses on public land identified for transfer to the State of Nevada. Transfer of said land without transfer of the water rights supporting valid existing authorized land uses would confound the ability of the State of Nevada to recognize and honor said valid existing authorized land uses. Accordingly, the Task Force recommends that for all transferred lands the following rights will be transferred from the federal government to the State of Nevada:

- Surface estate
- Subsurface estate
- Federally held water rights appurtenant to transferred lands

BLM Designated Solar Energy Zones – Following a three-year planning process, the Secretary of Interior designated Solar Energy Zones on BLM administered land in Arizona, California, Colorado, Nevada, New Mexico and Utah. Designation of the 17 SEZs was intended by the Secretary to spur development of solar energy on public lands in these six western states. Within Nevada, five SEZs were established totaling 60,395 acres. Figure 2 shows the locations of the SEZs in Nevada. While establishment of the SEZs was intended by BLM to incentivize and speed development of solar energy projects within each area, a failure by BLM to complete regulations governing competitive leasing of sites within SEZs coupled with continuing requirements to comply with the National Environmental Policy Act (NEPA) and related development and implementation of regional solar mitigation strategies for projects within SEZs

challenges the competitiveness of said areas as alternatives for which investment by solar industry will occur. As a consequence, the State of Nevada and her local governments may miss out on the economic and fiscal benefits associated with industry investments in solar energy projects. If given the opportunity, the Task Force believes that the State of Nevada, in consultation with her counties, can attract and permit the development of solar energy projects within SEZs in a manner which will attract investment in solar energy projects to Nevada. As a consequence, the Task Force recommends that designated Solar Energy Zones on BLM administered land in Nevada be transferred to the State of Nevada during Phase I.

Existing BLM Geothermal Leases – As noted by the Nevada Division of Minerals, Nevada's geothermal resources are utilized in three major ways. The geothermal resources are used to generate electricity, for space heating, and commercial applications.

Nevada's geothermal electrical generation plants are located predominantly in the northern portion of the State. Currently, Nevada has 586 megawatts of nameplate generating capacity from 22 operating geothermal plants, at 14 different locations. Nevada's geothermal plants can theoretically generate up to 539 megawatts of power collectively in any given hour. A megawatt is 1,000 kilowatts, which is enough electrical power to serve over 300 typical households. The 2013 gross electrical output for Nevada's 22 geothermal plants was 3,433,903.5 MWh, with net output (sales) being 2,588,629.0 MWh. Nevada's electrical generation capacity from its geothermal plants is second only to California.

Geothermal energy is also used to heat homes and businesses in numerous Nevada locations. The cities of Elko and Caliente have small heating districts that are approved by the Public Utility Commission to provide heat for buildings. A private heating district provides heat to homes in southwest Reno. Domestic geothermal heating systems utilizing an anomalous heat source provide heat to individual residences and ranches. Heat pump and ground source heat systems that do not utilize an anomalous heat source are not considered geothermal systems in Nevada.

Geothermal resources can be used to assist processing in both agricultural and mining operations. In the case of agriculture, heat from geothermal fluids is used in the dehydration process of vegetables. In mining, geothermal fluids have been used to assist in the separation of gold from associated ore. (http://minerals.state.nv.us/ogg_nvgeorespro.htm)

Of the 22 operating geothermal energy plants in Nevada, 13 are located on lands administered by the BLM. Collectively, these 13 plants generate nearly 382 of the 539 megawatts (or 71 percent) of generating capacity in Nevada. BLM administered lands in Nevada play an important role in providing sites geothermal utilization projects. As of September 30, 2012, BLM in Nevada had 701 geothermal leases in place covering 1,045,079 acres. With only 13 operating plants out of 700 plus leases, the potential for enhanced geothermal energy production on BLM administered land appears excellent. Unfortunately, the federal statutory and regulatory framework which BLM must apply encourages a process which can be uncertain, costly and quite extended. This permitting environment can discourage investment in geothermal projects. If given the opportunity, the Task Force believes that the State of Nevada, in consultation with her counties, can attract and permit the development of geothermal energy projects within existing geothermal lease areas in a manner which will attract heightened investment in geothermal energy projects to

Nevada. As a consequence, the Task Force recommends that all existing land under existing BLM geothermal lease be transferred to the State of Nevada during Phase I.

Approved and Proposed Congressional Transfers of BLM Land – The BLM has been authorized to dispose of land in Nevada through various special acts of Congress. Included are the Mesquite Land Act (MLA) (PL 99-548),Southern Nevada Public Land Management Act (SNPLMA) (PL 105-263), the Lincoln County Land Act (LCLA) (PL 106-298), the Lincoln County Conservation, Recreation and Development Act (LCCRDA) (PL 108-424) and the White Pine County Conservation, Recreation and Development Act (WPCCRDA) (PL 109-432). Table 9 shows the acreage authorized for sale, the acres actually sold and remaining acres to be sold for each act.

Upon passage of amendments to LCLA which were contained in LCCRDA which effectively, resolved NEPA compliance issues and required the sale of 13,466 acres within 75 days, the BLM sold the subject land expeditiously. Unfortunately, the Bureau's progress in processing land sales authorized pursuant to LCCRDA and WPCCRDA has been less fruitful. The Task Force believes that if provided the opportunity, the State of Nevada in consultation with local governments can efficiently and in a more timely manner process the sale of lands authorized by SNPLMA, LCLA, LCCRDA and WPCCRDA resulting in land sale revenues accruing to the State and the addition of sold lands to county tax rolls. Accordingly, the Task Force recommends that the lands authorized for disposal pursuant to MLA, SNPLMA, LCLA, LCCRDA and WPCCRDA be transferred to the State of Nevada during Phase I.

Table 9. Status of Land Acts in Nevada

Abbreviated Title of Act	Acres Authorized for Disposal	Acres Disposed	Acres Remaining to be Disposed
MLA	15,460	10,400	5,060
SNPLMA	74,000	44,716	29,284
LCLA	13,300	13,466	0
LCCRDA	90,000	66	89,934
WPCCRDA	45,000	2.5	44,997.5

Sources: SNPLMA, http://www.blm.gov/pgdata/etc/medialib/blm/nv/field_offices/las_vegas_field_office/snplma/pdf/reports.Par.12274.File.dat/PROGRAM%20STATISTICS%20Thru%20%20September%202013.pdf; LCLA, http://www.blm.gov/wo/st/en/prog/more/lands/land_tenure/sale.print.html LCCRDA and WPCCRDA via April 28, 2014 email from Carol Bass, BLM Ely District Office; MLA, email from Aaron Baker of the City of Mesquite dated 6/28/14.

In addition to special federal land sale legislation already enacted into law, there are bills pending before the Congress which also authorize the sale or transfer of public land in Nevada. They include:

HR 1168; 1,400 acres of BLM administered land within the City of Carlin (Amodei)
HR 1167; all acres of BLM surface estate in Storey County (Amodei)

HR 1170; 9,407 acres of BLM administered land within the City of Fernley (Amodei); S 1983 (Heller)

HR 1633; authorizes BLM and USFS to dispose of parcels of not greater than 160 acres which:

(A) shares one or more boundaries with non-Federal land;

(B) is located within the boundaries of an incorporated or unincorporated area with a population of at least 500 residents;

(C) is not subject to existing rights held by a non-Federal entity;

(D) does not contain an exceptional resource; and

(E) is not habitat for an endangered species or a threatened species determined under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533). (Amodei)

HR 2455; 275 acres of BLM land to Elko County for motocross track (Amoedi); S 1167 (Heller)

HR 4419; authorizes BLM and USFS to dispose of parcels of not greater than 160 acres which:

(A) shares one or more boundaries with non-Federal land;

(B) is located within the boundaries of an incorporated or unincorporated area with a population of at least 500 residents; and

(C) is not subject to existing rights held by a non-Federal entity. (Amodei)

HR 696; 12,500 acres to the City of Yerington (Horsford); S 159 (Heller)

HR 2015; 660 acres to the City of Las Vegas and 645 acres to the City of North Las Vegas (Horsford); S 794 (Reid)

S 1263; 13,796 acres to Douglas County; 10,287 acres of BLM land for sale (Heller)

S 343; 948 acres to Henderson Redevelopment Agency (Reid); HR 697 (Heck)

Collectively, the pending federal legislation listed above includes at least 50,000 acres of federal land to be transferred to the State of Nevada or specific local governments. The Task Force believes that where appropriate and if given the opportunity the State of Nevada in consultation with local governments can efficiently and in a timelier manner process the transfer to respective local governments and/or sale of land addressed in the aforementioned proposed legislation. Accordingly, the Task Force recommends that the lands authorized for disposal pursuant to the aforementioned pending federal legislation be transferred to the State of Nevada during Phase I.

C. Land to Be Transferred in Subsequent Phases

Assuming that Nevada is able to effectively absorb and manage in a fiscally sustainable manner the public land transferred to the State during Phase I, the Task Force recommends that subsequent land transfer phases consider the following classes of federal land:

- Other BLM administered lands
- United States Forest Service lands
- Bureau of Reclamation lands identified as surplus
- Other federally managed and administered lands identified as surplus

Similar to Phase I, sensitive and culturally important areas designated by Congress for special management such as wilderness, national parks, national monuments, national recreation areas, national wildlife refuges, national conservation areas, federally recognized Indian reservations and other lands administered by the Bureau of Indian Affairs and BLM designated Areas of Critical Environmental Concern for protection of the Desert Tortoise would be excluded from transfer to the State.

V. Administration, Management and Use of Transferred Land

A. Recommended Plan for Administration, Management and Use Lands Transferred to the State of Nevada

The Task Force has considered alternatives for administration and management of an expanded State land base and has determined that land to be transferred by the Congress should be transferred to and administered by the State of Nevada, Division of State Lands. The Division could then be responsible for granting or selling those lands identified in pending federal legislation for transfer to local governments or under existing R&PP or ROW leases to said governments. The Division already is responsible for administration of the remaining 2,900 acres of State School Trust land held by Nevada and administers others lands belonging to the State of Nevada (approximately 193,000 acres). As described previously, the Task Force is recommending that the majority of transferred land be held in trust and managed for the benefit of select beneficiaries.

During his September 27, 2013 presentation to the Task Force, Mr. Jim Lawrence, Administrator of the Nevada Division of State Lands reported that his office maintains a staff of 7 and could, with additional staffing and budget, effectively manage an expanded State land base. As shown in Table 10, other states with significantly greater state trust land holdings manage their lands effectively with staffing to acreage levels ranging from 9,266 to 74,616 acres per full time equivalent (FTE) staff position. Actual staffing levels for the states of Arizona, Idaho, New Mexico and Utah range from a low of 66 in Utah managing 3.4 million acres of trust lands to 264 in Idaho managing 2.4 million acres of trust land. These differences in both acres per FTE and numbers of staff reflect the labor intensive nature of managing commercial timber land in Idaho versus the lack of such timber resources in Utah. New Mexico's acreage to staffing ratio reflects the extensive oil and gas resources which have been and continue to be developed on state trust lands in that state.

Based upon the mix of natural resources managed in Arizona, Idaho, New Mexico and Utah, the Task Force believes that the State of Nevada could effectively manage an expanded state trust land base with acres per FTE rate ranging between 44,275 and 74,616 acres per FTE[5]. Were the Congress to transfer 7.2 million acres during Phase I to the State of Nevada, the Task Force estimates management of this area would require a staffing level at the Division of State Lands of between 96 and 162 persons. This is a significant increase in staffing above the 7 staff currently employed by the Division. Initially and as the Division of State lands staffing levels grew, the Task Force believes that many of the required land management functions could be undertaken by temporary contractors. As Phase I revenues begin to accrue, staffing levels at the Division could be expanded as necessary to effectively manage the expanded state trust land area as needed maximize net returns to trust beneficiaries on a sustained basis.

Depending on the nature of other federal lands which might be transferred during subsequent phases, the acres per FTE ratio might go up as the transferred lands require less intensive

[5] The five-year multi-state average acres managed per FTE (44,275) and five-year multi-state observed high acres managed per FTE for state trust lands in Arizona, Idaho, New Mexico and Utah; 2008-2012.

management (recall that Phase I lands have been identified owing to their immediate to short term revenue generating capacity). The expanded management capacity of the Division of State Lands may also enable the absorption of a greater state trust land base without the addition of a commensurate number of employees per acre managed. As Nevada's state trust land inventory grew over time, the Task Force would expect the acres managed per FTE within the Division of States Lands to increase from the initial expected range of 44,275 to 74,616 acres per FTE to a rate approaching 75,000 acres per FTE or more.

Table 10. Five-Year Average Acres of State Trust Land Managed, Staffing Level (Full Time Equivalents) and Acres Managed Per FTE, Arizona, Idaho, Nevada, New Mexico and Utah, 2008-2013

Area	Acres of State Land	Staffing Level (FTE)	Acres per FTE
Nevada[1]	196,000	7	28,000
Arizona	9,266,468	155	60,569
Idaho	2,450,355	262	9,346
New Mexico	8,963,363	153	58,592
Utah	3,405,577	70	48,595

1/ Nevada data is for 2013.

Sources: Nevada, Nevada Division of State Lands, other states annual reports for respective state land departments, 2008-2013.

Section 1, Subsection 6(b) of AB 227 directs that the Nevada Land Management Task Force study include a "proposed plan for the administration, management and use of the public lands, including without limitation, the designation of wilderness or other conservation areas or the sale, lease or other disposition of those lands." As previously noted, the Task Force is recommending that the transferred lands be administered by an expanded Nevada Division of State Lands. The Task Force has considered the state trust land management organizational structures and programs of the states of Arizona, Idaho, New Mexico and Utah as potential models for Nevada. Mr. Jim Lawrence, Special Assistant to Nevada Department of Conservation and Natural Resources and recently Administrator of the Nevada Division of State Lands has suggested that the organizational structure and programs of the Arizona State Lands Department most appropriately fit an expanded state trust land base in Nevada.[6] The Task Force agrees. Accordingly, much of the description of a proposed administrative and management capability for an expanded Nevada State Trust Land estate is drawn from the Arizona State Land Department's website.

The Arizona State Land Department states as its mission, "The Department has a fiduciary responsibility to maximize the income from the sale and use of Trust lands and their products." The Task Force sees a very similar mission for Nevada Division of State Lands of an expanded state trust land estate in Nevada.

[6] Personal Communication with Mr. Jim Lawrence, former Administrator, Nevada Division of State Lands, May 20, 2014.

Proposal for Expanding the Nevada Division of State Lands
To effectively manage a state trust land estate of approximately 7.2 million acres, the Nevada Division of State Lands would need to expand its range of capabilities and staffing. Accordingly, the Task Force envisions a Nevada Division of State Lands Office of Trust Land Management comprised of several programmatic areas including:

Natural Resources Program – This program which would administer all natural resource-related leases and any natural resource issue affecting Nevada State Trust Land. Leasing categories would likely include grazing, agriculture, mineral, mineral material, and related exploration. Other administrative areas could include water sales, mineral material sales, trespass, recreational permits, environmental contamination, and cultural resources.

Grazing administration would likely include the following functions:

- developing Coordinated Resource Management Plans for grazing leases
- conducting rangeland monitoring
- conducting clearances on range improvement and land treatment projects to prevent or mitigate the impacts of these projects on protected plant, wildlife and cultural resources
- providing recommendations to the Real Estate Program for preventing or mitigating the impacts of commercial, right of way and sales projects on State Trust rangeland
- coordinating efforts with federal and private land managers
- providing Nevada Division of State Lands Office of Trust Land Management representation to various collaborative groups which are addressing rangeland management issues

Real Estate Program – This program would provide the support for sales, commercial leasing and rights of way. The Real Estate Program would analyze and make recommendations concerning the sale or lease of Nevada State Trust Land, with a responsibility to maximize revenue for the Trust beneficiaries. The Real Estate Program would be responsible for the planning, engineering, appraisal and disposition functions of the Nevada Division of State Lands.

Appraisal Section - The mission of the Appraisal Section would be the valuation and evaluation of all dispositions of Nevada State Trust Land. The Appraisal Section would complete appraisal assignments with in house appraisal staff and oversee reviews and coordination of fee appraisals with a large stable of independent fee appraisers. Valuation assignments would cover a very wide range of property types including commercial, residential, rights of way, telecommunication sites, mining and mineral excavations, agricultural farms, rangelands, wind farms, geothermal leases, lands for solar energy generation, open space, sites with archeological significance, water resources, and many other income generating land uses. The Appraisal Section would accomplish these assignments in accordance with all applicable requirements of Nevada Revised Statutes and regulations regarding the appraisal of state land and economic resources to establish fair market value.

Planning Section - The Planning Section would support the Real Estate Division in matters related to entitlement issues, general plan amendments, and strategic land use planning. A strategic plan would be very important as a tool in prioritizing and charting the Division of State Land's Trust Land sales and leasing activity based upon planning, engineering and marketing

principles. The Task Force would envision the Planning Section collaborating closely with both counties and municipalities on planning issues, including but not limited to scenic corridors, zoning text amendments, environmental ordinances, impact fees and other issues impacting the value and development utility of State Trust Lands and advancing the mission of the Trust in a manner consistent with local government master plans and infrastructure development capabilities. The Planning Section, along with the Engineering Section, would work on large Development Master Plans. It would also work with developers seeking to include State Trust Lands in their own master planning efforts. This would not only entitle the Trust land but would also result in unified master planning and allow for sustainable development.

The existing State Land Use Planning Agency within the Nevada Division of State Lands might be fully capable of broadening its capabilities to be responsible for the State Trust Land planning initiatives outlined above.

Engineering Section - The Engineering Section would provide engineering and hydrologic support to the Division of State Lands; including performing infrastructure, drainage and environmental assessments; technical review and comments on applications; navigable stream determinations; and Colorado River ownership and boundary determinations, as applicable.

As proposed, the duties and responsibilities of the Engineering Section would include analyses of potential land uses as a means to enhance the value of State Trust Lands. Any state proposed use of Trust Land, from a master planned community, commercial center, or something as simple as the temporary planting of an advertising sign, would be evaluated for its impact, both negative and positive. An assessment of a negative impact to the use, or future use, of the land could result in either a request to alter the plan or a refusal of permission to site the project at that location.

Sales and Commercial Leasing Section – This section would work to assure that all Nevada State Trust Land transactions are consistent with the Task Force recommended State of Nevada mandate to achieve the highest and best use of the Phase I transferred lands in order to maximize revenues to the Trust beneficiaries. It is presumed that both the purchase and the commercial lease process for State Trust Land would be initiated by an application, completed by the applicant in consultation with Division of State Lands staff, and filed with the Division. Typically, Nevada State Trust Land intended for residential purposes would be sold, where as lands intended for commercial uses would be leased.

It is proposed that all sales and long term commercial leases would be acquired through the public auction process. It is further proposed that all sales and commercial leases of Nevada State Trust Land would be approved by a State Land Commission described below.

As proposed, the Division of State Lands would review a purchase or lease application, taking into consideration at a minimum: the income potential to the Trust beneficiaries; proposed use; cultural resource issues, threatened and endangered flora and fauna issues; hydrology; geology; entitlements; impact to adjacent Nevada State Trust and private lands; availability of utilities and infrastructure; access; proximity to existing development; parcel size; and conformity with local jurisdiction land use plans, ordinances and regulations.

Rights of Way Section – This function would accept and process applications for rights of way across Nevada State Trust Land for a variety of public and private uses, such as access roads,

infrastructure, power lines, communication lines, and public roadways. Rights of way might be issued for terms ranging from one year to perpetuity. As proposed, all rights of way in excess of 10 years would be approved by the State Land Commission described below.

Land Information, Title, and Transfer Program – This program area would ensure the integrity of the State of Nevada Trust Land ownership title, would manage public records, would coordinate applications and prepare leases, permits and other contracts associated with the surface use of the Task Force proposed 7.2 million plus acres of Nevada State Trust Land.

As proposed, this Section would perform research of title records on the following types of acquisitions and disposals: Purchases, Quiet Title Actions, Federal Condemnations, Reconveyances, Resurveys, Civil Actions and Court Settlements.

Public Records Program – This program would function as the Nevada State Trust Land's information and records center. Existing public records capabilities within the Nevada Division of State Lands could be expanded to serve this role. The Public Records function would assist and instruct the public and other interested parties in the retrieval of the Nevada Division of State Lands computerized records, interpretation of Nevada State Trust Land title documentation, and accessing records and case files as each relates to individual research subjects.

With an approximate nine million acre state trust land estate, Arizona receives approximately 52,000 public inquires to its Public Records section annually. Given that Arizona's population is nearly 2.5 times that of Nevada, the Nevada Division of State Lands might expect to receive in excess of 20,000 public inquiries regarding a 7.2 million acre State Trust Land estate. Functions performed by the Public Records Section might include but would not necessarily be limited to: document reproduction; case file maintenance, access, and retrieval; providing application and permit forms; issuance of recreational permits; providing access to computerized records pertaining to application status, current land use, and title and land use history; assistance in determining the location of Nevada State Trust Lands applied for through use of mapping tools; and telephonic inquiries.

Administrative Appeals Program – This program would prepare and issue decisions, orders and notices from the Administrator's Office and oversee the administration of the Nevada Division of State Lands proposed appeals program wherein applicants or other interested parties may appeal a final decision of the Administrator of the Nevada Division of State Lands. As proposed, an appeal of Administrator decisions would be coordinated with an Office of Administrative Hearings. The office would conduct informal settlement conferences to resolve appealed issues prior to hearing. The Section would also be responsible for coordinating administrative appeals to, and hearings before, the State Land Commission as well as litigation issues.

Administration Program – This program would oversee the administrative functions of the Department including budget development and implementation, personnel, fiscal monitoring and reporting, accounting, purchasing, risk management, procurement, human resources and space management.

Information Systems and Resource Analysis Program – This program would be responsible for developing and managing expanded information systems functions of the Nevada Division of State Lands including its network, hardware, software, web sites, and its enterprise business and geographic information systems (GIS).

It is proposed that a Nevada State Land Commission be established whose primary function would be to act as a quasi-judicial and quasi-legislative board for approval of regulations as well as the disposition of appeals regarding State Trust Lands for the Nevada Division of State Lands. Applicants, lessees, permit holders and others would be able to appeal to the Board a final decision of the Administrator of the Division of State Lands that relates to appraisals, classifications of land or other final administrative decisions.

Conceptually, the Nevada State Land Commission might consist of seven board members selected by the Governor and confirmed by the Senate for six-year terms. Five members would represent the 17 counties in Nevada, which could be divided into five districts. Two members might hold positions-at-large. Additions to Nevada Revised Statute would be necessary to establish the proposed Nevada State Trust Land Commission. Figure 5 presents a proposed organization chart for the Nevada Division of State Lands, Office of Trust Land Management.

While management of an expanded state trust land area would be the primary responsibility of the Nevada Division of State Lands there would be instances where shared management with other state or local government entities might be appropriate. For example, should the Division of State Lands determine the development of an industrial park with sites for sale or lease to industry was the highest and best use for a parcel of trust land, the Governor's Office of Economic Development and/or a Regional Economic Development Authority might work closely with the Division to market the industry park to industry. This same case might see a county or city cooperating with the Division to plan and secure funding for infrastructure to serve said industrial park. The county or city would benefit from increased area employment, incomes and tax revenue while the Division and the state land trust beneficiaries would benefit from enhanced generation of land lease or sale revenue.

As noted in Section 6 of the Wild and Free Roaming Horse and Burro Act:

Sec. 6. The Secretary is authorized to enter into cooperative agreements with other landowners and with the State and local government agencies and may issue such regulations as he deems necessary for the furtherance of the purposes of this Act.

With limited exceptions, the Task Force is not recommending the transfer of lands with BLM designated wild horse and burro herd management areas (HMA) at this time. The Task Force recommends that when lands within an HMA are transferred to the State of Nevada, the Secretary of Interior enter into a cooperative agreement with state and local agencies to manage the protected horses and burros on state and federally administered lands. The act authorizes this and in some areas of the United States, agreement such as this are in place.

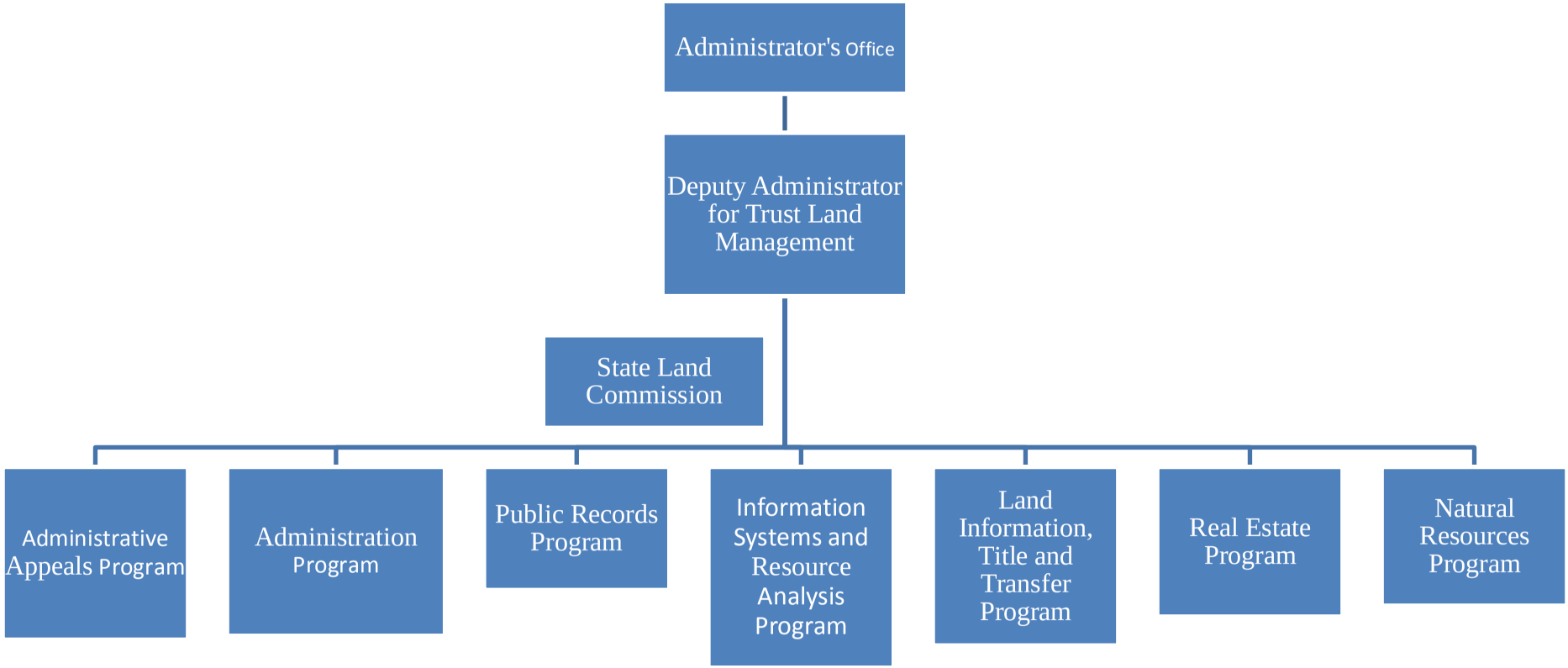


Figure 5. Proposed Organizational Chart: Nevada Division of State Lands, Office of Trust Land Management

Presentations and public comments made during Task Force meetings identified concern regarding the capability of the State of Nevada to address the development and use of transferred lands in an environmentally responsible manner. The Task Force received presentations from Mr. Leo Drozdoff, Director of the Nevada Department of Conservation and Natural Resources, Mr. Jim Lawrence, Administrator of the Nevada Division of State Lands and Dr. Mike Baughman, President of Intertech Services Corporation which described the capabilities of the State of Nevada to ensure that development and use of transferred lands is done in an environmentally responsible manner[7].

The Task Force has learned that the following agencies of the State of Nevada are empowered by Nevada Revised Statute and regulation to address the environmental integrity of potential development and uses of federal land transferred to the State of Nevada:

- Nevada Department of Conservation and Natural Resources
    - Nevada Division of Environmental Protection
        - Bureau of Air Pollution Control
        - Bureau of Mining Regulation and Reclamation
        - Bureau of Water Pollution Control
    - Nevada Environmental Commission
    - Nevada Division of Forestry
    - Nevada Division of Water Resources
    - Nevada Division of State Lands
        - State Land Use Planning Advisory Council
    - Nevada Conservation Districts
    - Sage Brush Ecosystem Council
    - State Historic Preservation Office
- Nevada Department of Wildlife
- Nevada Department of Agriculture
- Nevada Commission On Minerals
    - Nevada Division of Minerals
- Public Utilities Commission of Nevada

Collectively, these agencies are responsible for the following environmental regulation:

- Air Quality
- Water Quality
- Water Quantity
- Conservation of Renewable Resources
- Preservation of Cultural and Historic Resources
- Designation of Areas of Critical Environmental Concern
- Noxious Weed Control
- Wildlife Management

[7] Dr. Mike Baughman, Intertech Services Corporation, *Capacity of the State of Nevada to Undertake Environmental Protection Programs*, presentation to the Nevada Public Lands Management Task Force, February 21, 2014, Carson City, Nevada; available at http://www.nvnaco.org/images/2_21_14_state%20of%20nevada%20%20environmental%20protection%20program%20%20%20capacity%20_rev%201.pdf

- Mining Reclamation
- Solid Waste Management
- Hazardous Waste Management
- Development of new environmental regulations
- Protection of Timbered Lands
- Protection of Trees and Flora
- Protection of Christmas Trees, Cacti and Yucca
- Controlled Fires
- Control of Forest Insects and Diseases
- Use of Mechanical Devises for Harvesting Pine Nuts or Cones from Pinyon Trees
- Protection and Propagation of Selected Species of Native Flora
- Forest and Range Renewable Natural Resources
- Oil, gas, and geothermal drilling activities and well operations
    - Permitting, inspecting, and monitoring all oil, gas, and geothermal drilling activities on both public and private lands in Nevada.
    - Monitors production of oil, gas, and geothermal resources to insure proper management and conservation.
- Abandoned mine lands
    - Identifying and ranking dangerous conditions at mines that are no longer operating
- Securing dangerous orphaned mine openings
- Regulation of the location and environmental impacts of all utility projects over a certain scale, including energy generation projects (over 70MW), transmission projects (over 200kV), as well as large water and sewer utility projects
- Maintenance of a process by which stakeholders including local governments, individuals, and representatives of environmental groups, can be parties to the utility project approval process

In addition, the Task Force is aware that local governments in Nevada have the authority, pursuant to Nevada Revised Statute and do with regularity review, impose conditions upon and approve or deny land uses within their jurisdictions. Said local government reviews are intended to ensure that proposed land uses are consistent with adopted local land use plans and ordinances and are in the public interest.

The National Environmental Policy Act (NEPA) is a disclosure process to ensure an informed decision is made by the federal government when authorizing the use of federally administered lands. Pursuant to NEPA, the federal decision maker is not required to select the most environmentally sound land use alternative but merely needs to disclose impacts, frame mitigation measures and make a reasoned choice.

Table 11 compares the various State of Nevada and local government land use review, approval and permitting authorities for each of the typical resource topics evaluated by the federal government when preparing a NEPA compliance document (an environmental assessment or environmental impact statement). Many of the state and local government procedures for review, approval and permitting of land use shown in Table 10 require (1) consideration of alternatives

Table 11. Comparison of NEPA Topics of Analysis for Projects on Federal Land and Permits and Approvals Required for Projects in Nevada on State and Private Land		
National Environmental Policy Act (NEPA) Resource Topic for Analysis	**Relevant Nevada State or Local Permit or Approval**	**Granting Agency**
Air Resources		
	Air-Surface Disturbance Permit	Nevada Division of Environmental Protection Bureau of Air Pollution Control
	Air-Permit to Construct Permit	Nevada Division of Environmental Protection Bureau of Air Pollution Control
	Air- Permit to Operate Permit	Nevada Division of Environmental Protection Bureau of Air Pollution Control
	Vehicle Emissions Compliance	Clark and Washoe County Government
	Air Quality Compliance Permitting	Clark and Washoe County Government
Geologic Resources; Mineral Resources		
	Mine Registry	Nevada Division of Minerals
	Abatement of Hazardous Conditions of Abandoned Mine	Nevada Division of Minerals
	Mine Opening and Closing	Nevada Division. of Industrial Relations
	Mine Reclamation Permit	Nevada Division of Environmental Protection Bureau Mine Regulation and Reclamation
	Explosives Permit	U.S. Bureau of Alcohol, Tobacco and Firearms
Water Resources		
	National Pollutant Discharge Elimination System Storm Water General Permit	Nevada Division of Environmental Protection Bureau of Water Pollution Control
	Water Pollution Control Permit	Nevada Division of Environmental Protection Bureau of Water Pollution Control

Table 11. Comparison of NEPA Topics of Analysis for Projects on Federal Land and Permits and Approvals Required for Projects in Nevada on State and Private Land		
National Environmental Policy Act (NEPA) Resource Topic for Analysis	**Relevant Nevada State or Local Permit or Approval**	**Granting Agency**
	Permit to Appropriate Water – Change in Point of Use and Diversion	Nevada Division of Water Resources
	Nevada State Dam Permit (storm water ponds)	Nevada Division of Water Resources
	Industrial Artificial Pond Permit	Nevada Department of Wildlife
	Potable Water System Approval	Nevada Division of Environmental Protection Bureau of Safe Drinking Water
	Septic System Approval	Nevada Division of Environmental Protection Bureau of Water Pollution Control
	Underground Injection Control Permit	Nevada Division of Environmental Protection Bureau of Water Pollution Control
	Section 404 Water Quality Permit	U.S. Army Corps of Engineers
Soil Resources		
	Grading Permit	Local Government
Vegetation Resources		
	Possession or Removal of Christmas Trees, Cacti and Yucca	Nevada Division of Forestry
	Species declared to be threatened with extinction; special permit required for removal or destruction	Nevada Division of Forestry
Terrestrial Wildlife		
	AB 307 Energy Conservation and Planning Fund (review of energy project impacts to wildlife)	Nevada Department of Wildlife
	Hunting and Trapping Licenses	Nevada Department of Wildlife

Table 11. Comparison of NEPA Topics of Analysis for Projects on Federal Land and Permits and Approvals Required for Projects in Nevada on State and Private Land		
National Environmental Policy Act (NEPA) Resource Topic for Analysis	**Relevant Nevada State or Local Permit or Approval**	**Granting Agency**
	Habitat Management	Nevada Department of Wildlife
	Ascertain whether or not the mining operation would endanger game habitat	Nevada Department of Wildlife
Aquatic and Biological Resources		
	Water Pollution Control Permit	Nevada Division of Environmental Protection Bureau of Water Pollution Control
	Fishing Licenses	Nevada Department of Wildlife
	Habitat Management	Nevada Department of Wildlife
	Ascertain whether or not the mining operation would endanger fish habitat	Nevada Department of Wildlife
	Dredging Permit	Nevada Department of Wildlife
Land Use		
	Master Plan/ Master Plan Amendment	Local Government
	Special Use/Conditional Use Permit	Local Government
	Zone Change	Local Government
	Building Permit	Local Government
	Grading Permit	Local Government
	Authorization to Use State Land Beneath Navigable Waters of the United States	Nevada Division of State Lands
	Application to Use State Lands	Nevada Division of State Lands
Recreation		
	Master Plan	Local Government
	Facility Use Permits	Local government
	Hunting , Fishing and Trapping Licenses	Nevada Department of Wildlife
	State Park Management and Use	Nevada Division of State Parks
	Permit for Recreational Use of Submerged State Lands	Nevada Division of State Lands

Table 11. Comparison of NEPA Topics of Analysis for Projects on Federal Land and Permits and Approvals Required for Projects in Nevada on State and Private Land		
National Environmental Policy Act (NEPA) Resource Topic for Analysis	**Relevant Nevada State or Local Permit or Approval**	**Granting Agency**
Transportation Resources		
	Right-of-Way/Occupancy Permits	Nevada Department of Transportation
	Trucker Operational Permits	Nevada Department of Transportation
	Special Use/Conditional Use Permits	Local Government
Cultural Resources		
	Section 106 National Historic Preservation Act agreement document(s)	State of Nevada Historic Preservation Office
Wild Horse and Burro Management	Management of feral horses and burros	Nevada Department of Agriculture
	Approval to Operate Sanitary Landfill/Solid Waste System	Nevada Division of Environmental Protection Bureau of Waste Management
	Hazardous Waste Permit	Nevada Division of Environmental Protection Bureau of Waste Management
Socioeconomics		
	Master Plan/ Master Plan Amendment	Local Government
	Special Use/Conditional Use Permit	Local Government
Public Safety and Health		
	Hazardous Materials Permit	State of Nevada; Fire Marshal Division
	Radioactive Material License	Nevada State Health Division – Radiological Health Section
Threatened and Endangered Species	ESA Section 10 Permit	U.S. Fish and Wildlife Service

which meet the proponent's purpose and need for the land use; (2) result in disclosure of land use impacts; (3) provide for mitigation of impacts; (4) provide opportunities for public comment on the proposed land use; and (5) allow for administrative and judicial review of any decision to approve and/or permit the proposed land use.

The Task Force believes that given existing statutory and regulatory environmental and land use review, oversight and approval/denial authority vested with State of Nevada agencies and local government, proposed development and use of transferred lands in an environmentally responsible manner is likely and that extra-regulatory procedure such as a state-level National Environmental Policy Act (NEPA) like process is unnecessary.

B. Uses of Transferred Lands

The Task Force has identified a variety of revenue generating and non-revenue generating uses which might be made of transferred lands. In recommending that the land transfer be accomplished through phases, and in recommending that Phase I lands be comprised entirely of lands with immediate to short term revenue generating potential, the Task Force is seeking to ensure that the management of an expanded state trust land base be self-funding as soon as possible. Given the nature of lands to be excluded from transfer in any phase as recommended by the Task Force (i.e. wilderness, national parks, national monuments, national recreation areas, national wildlife refuges, national conservation areas and federally recognized Indian reservations and other lands administered by the Bureau of Indian Affairs), the Task Force believes that all lands transferred in Phase I to the State of Nevada, Division of State Lands for management as state trust lands to benefit designated beneficiaries should be managed to maximize sustainable net revenue for said beneficiaries. Lands transferred in subsequent phases will be managed primarily for long-term sustainable net revenue maximization with the exception of those lands identified as suitable for disposal and to the extent possible for long-term health, function, productivity and sustainability. This would except those lands transferred to the State which were subsequently transferred to or sold to a local government for community development and other public purposes. It should also be noted that transferred state lands might, in some cases, be used to mitigate impacts to enable development of other state trust lands for their highest and best revenue generation use.

With regard to the possible designation of transferred land by the State of Nevada for wilderness or other conservation areas, the Task Force recommends that, if needed, the process outlined in NRS 321.770, State Designation/Planning for Areas of Critical Environmental Concern be followed. The Task Force notes however there already exist 45 wilderness areas and three National Conservation Areas on BLM-administered land and 20 wilderness areas on U.S. Forest Service administered land widely distributed throughout Nevada and totaling just over 4,000,000 acres. The Task Force believes that management by the State of Nevada of congressionally transferred land subsequently designated by the State as wilderness or other conservation areas would likely cost more to manage than it would generate in revenues therefore reducing the amount of net revenue available to designated state trust land beneficiaries. As a consequence, and given the many millions of acres of federally designated wilderness which already exist in Nevada, the Task Force does not believe that any lands transferred by the Congress to the State of Nevada should be designated and managed by the State of Nevada as wilderness.

Given the sustained revenue generation goal that the Task Force sees for the Division of State Lands in managing an expanded state trust land base, Table 12 lists possible uses of said lands which might generate revenues have been identified. This list is not all inclusive and other possibilities are likely to become apparent as the State's management capacity for its expanded land area matures.

Table 12. Alternative Uses of Transferred Land Which Might Generate Revenue for Designated Beneficiaries

Recreation	Off-Road Racing	Land sailing
Big Game Hunting	Camping/RV	Backpacking
Small Game Hunting	OHV Use	Trail riding
Waterfowl Hunting	Rock hounding	Photography
Upland Bird Hunting	Cross-Country Skiing	Snowmobiling
Trapping	Alpine Skiing	Wildlife Viewing
Boating	Snowboarding	
Fishing	Archeology	
Agriculture	Grazing	Landscape Materials
Water Storage	Farming	
Water Transmission	Aquaculture	
Forestry	Christmas Trees	Biofuels
Posts and Rails	Pine Nuts	Firewood
Pulp	Chemical Extracts	
Woodchips	Biochar	
Energy	Solar	Hydropower
Oil	Wind	Biomass
Gas	Geothermal	
Development	Telecommunications	Land Leases
Summer Homes	Transportation	Housing
Ranchettes	Utilities	Airports
Summer Camps	Industrial Parks	Govt. Installations
Pack Stations	Commercial	Community Facilities
Dude Ranches	Land Sales	
Mining	Industrial Metals	Sand and Gravel
Precious Metals	Industrial Minerals	Topsoil
Other	Advertising	Airspace Easements
Movie Production	Feral Horse Mgt.	

Appendix A

AB 227

Assembly Bill No. 227–Assemblymen Ellison, Wheeler, Hansen, Hickey, Hardy; Paul Anderson, Bustamante Adams, Carrillo, Duncan, Fiore, Flores, Grady, Hambrick, Healey, Kirkpatrick, Kirner, Livermore, Neal, Ohrenschall, Oscarson, Spiegel, Stewart and Woodbury

Joint Sponsors: Senators Goicoechea, Gustavson, Roberson, Hutchison, Hammond; Atkinson, Brower, Cegavske, Denis, Hardy, Jones, Kieckhefer, Kihuen, Manendo, Parks, Settelmeyer, Spearman and Woodhouse

CHAPTER 299

[Approved: June 1, 2013]

AN ACT relating to public lands; creating the Nevada Land Management Task Force to conduct a study addressing the transfer of public lands in Nevada from the Federal Government to the State of Nevada; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill creates the Nevada Land Management Task Force, consisting of a representative from each county in this State appointed by the board of county commissioners, to conduct a study during the 2013-2014 legislative interim to address the transfer of public lands in Nevada from the Federal Government to the State of Nevada, in contemplation of Congress turning over the management and control of those public lands to the State of Nevada on or before June 30, 2015. The Task Force is required to submit a report of its findings and recommendations to the Legislative Committee on Public Lands on or before September 1, 2014. The Task Force is similar to an interim commission that is being recommended for creation in the State of Utah to study issues relating to the transfer of public lands in Utah from the Federal Government to the State of Utah. (House Bill No. 148, 2012 Utah Laws, ch. 353, § 5)

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

WHEREAS, Unlike the eastern states that received dominion over their lands upon joining the Union, the western states have been placed in an inferior position as a result of the Federal Government withholding a significant portion of land from those states as a condition of admission to the Union; and

WHEREAS, According to the Congressional Research Service, as of 2010, the Federal Government manages and controls approximately 640 million acres, or about 28 percent of the 2.27 billion acres, of land in the United States; and

WHEREAS, The highest concentration of land managed and controlled by the Federal Government is in Alaska (61.8 percent) and the 11 coterminous western states, namely Arizona (42.3 percent), California (47.7 percent), Colorado (36.2 percent), Idaho (61.7 percent), Montana (28.9 percent), Nevada (81.1 percent), New Mexico (34.7 percent), Oregon (53.0 percent), Utah (66.5 percent), Washington (28.5 percent) and Wyoming (48.2 percent); and

WHEREAS, In contrast, the Federal Government only manages and controls 4 percent of the land in the states east of those western states; and

WHEREAS, The state with the highest percentage of lands within its boundaries that is managed and controlled by the Federal Government is Nevada, with over 80 percent of its lands being managed and controlled by various federal agencies, including the Bureau of Land Management, the National Park Service, the United States Forest Service, the United States Fish and Wildlife Service and the Department of Energy; and

WHEREAS, Increased control by the State of Nevada over the public lands within its borders would benefit the residents of Nevada significantly by allowing the State to balance the economic, recreational and other critical interests of its residents, with special emphasis on the multiple uses that are allowed presently on the public lands; and

WHEREAS, In March 2012, legislation was enacted in the State of Utah that, among other things, requires the Federal Government to turn over management and control of the public lands in Utah to the State of Utah and requires the study of various issues that may arise during such a transfer; and

WHEREAS, Other western states are considering the enactment of similar laws and momentum is building towards the Federal Government turning over management and control of certain public lands to the western states; and

WHEREAS, In light of the magnitude of federal management and control of public lands in Nevada, a study by the State of Nevada, in contemplation of Congress turning over the management and control of public lands in Nevada to the State of Nevada on or before June 30, 2015, would assist in ensuring that the transfer proceeds in a timely and orderly manner; now therefore

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. 1. The Nevada Land Management Task Force, consisting of 17 members, is hereby created. Within 30 days after the effective date of this act, the board of county commissioners of each county shall appoint one member to the Task Force.

2. A vacancy on the Task Force must be filled in the same manner as the original appointment.

3. The Task Force shall hold its first meeting on or before July 1, 2013. At the first meeting, the Task Force shall elect a Chair and Vice Chair from among its members.

4. While engaged in the business of the Task Force, each member of the Task Force is entitled to receive such per diem allowance and travel expenses as provided by the board of county commissioners that appointed the member. Each board of county commissioners shall pay the per diem allowance and travel expenses required by this subsection to the member that is appointed by that board of county commissioners.

5. The board of county commissioners of each county, in conjunction with the Nevada Association of Counties, shall provide such administrative support to the Task Force as is necessary to carry out the duties of the Task Force.

6. The Task Force shall conduct a study to address the transfer of public lands in Nevada from the Federal Government to the State of Nevada in contemplation of Congress turning over the management and control of those public lands to the State of Nevada on or before June 30, 2015. The study must include, without limitation:

(a) An identification of the public lands to be transferred and the interests, rights and uses associated with those lands;

(b) The development of a proposed plan for the administration, management and use of the public lands, including, without limitation, the designation of wilderness or other conservation areas or the sale, lease or other disposition of those lands; and

(c) An economic analysis concerning the transfer of the public lands, including, without limitation:

(1) The identification of the costs directly incident to the transfer of title of those lands;

(2) The identification of sources of revenue to pay for the administration and maintenance of those lands by the State of Nevada;

(3) A determination of the amount of any revenue that is currently received by the State of Nevada or a political subdivision of this State in connection with those lands, including, without limitation, any payments made in lieu of taxes and mineral leases; and

(4) The identification of any potential revenue to be received from those lands by the State of Nevada after the transfer of the lands and recommendations for the distribution of those revenues.

7. The Task Force shall report periodically to the Legislative Committee on Public Lands established by NRS 218E.510 concerning the activities of the Task Force.

8. On or before September 1, 2014, the Task Force shall submit a report of its findings and recommendations to the Legislative Committee on Public Lands for inclusion in the final report of that Committee for the 2013-2014 legislative interim. During the 78th Session of the Nevada Legislature, the Task Force must be available, upon request, to present the recommendations of the Task Force to the Legislature or the appropriate standing committees with jurisdiction over public lands matters.

Sec. 2. This act becomes effective upon passage and approval and expires by limitation on June 30, 2015.

APPENDIX B

Listing of Nevada Land Management Task Force Members

Nevada Lands Management Task Force (AB227)
Members

Carson City	Mayor Bob Crowell
Churchill County	Commissioner Carl Erquiaga
Clark County	Commissioner Tom Collins
Douglas County	Commissioner Doug Johnson
Elko County	Commissioner Demar Dahl, Chairman
Esmeralda County	Commissioner Nancy Boland, Vice Chairman
Eureka County	Commissioner J.J. Goicoechea
Humboldt County	Commissioner Dan Cassenelli
Lander County	Commissioner Patsy Waits
Lincoln County	Commissioner Kevin Phillips
Lyon County	Commissioner Virgil Arellano
Mineral County	Commissioner Jerrie Tipton
Nye County	Commissioner Lorinda Wichman
Pershing County	Mike Stremler (member, Natural Resource Advisory Commission)
Storey County	Commissioner Bill Sjovangen
Washoe County	Commissioner Vaughn Hartung
White Pine County	Commissioner Laurie Carson

APPENDIX C

Summary of Formal Presentations to the Nevada Land Management Task

Summary of Formal Presentations to the Nevada Public Land Management Task Force

June 28, 2013 (Carson City, Nevada)
There were no formal presentations given.

August 16, 2013 (Eureka, Nevada)
Mike Baughman - President, Intertech Services Corporation
1. Provided a overview of two studies his firm co-authored in the mid-1980's regarding the cost, revenues and management options for an expanded state land base in Nevada. The two studies were: 1) "Identification of Public Land Transfer Issues and Preliminary Comparative Economic Analysis", Resource Concepts, Inc. and Intertech Services Corporation, Nov. 1994 and 2) "Alternatives for Management of an Expanded State Land Base in Nevada", Intertech Services Corporation and Resource Concepts, Inc., February 1996

September 27, 2013 (Winnemucca, Nevada)
Jim Lawrence – Administrator, Nevada Division of State Lands
1. As compared to eastern States, western States have much larger amounts of Federally-managed lands within their boundaries, which provide unique opportunities and challenges.
2. The function of Land Offices in most western States is to administer School Grant Trust lands, on behalf of the public school system.
3. Today, there are approximately 2,900 acres of the original 4 million acres of school trust lands managed by the Nevada Division of State Lands.
4. From an organizational standpoint, most western State land offices contain five divisions or categories of staff – administrative, land information (titles, cadastral, etc.), natural resources, real estate, and information systems (geographic information systems, cartography, etc.).
5. It is important that the enabling legislation be clear on the role of NEPA, how existing land rights and authorizations (grazing permits/leases, Rights-of-Ways, mining exploration permits, etc.) would be addressed as well as outline the parties' responsible for bearing the costs of the transfer and revenue distribution.
6. Local governments should consider a 'staggered' approach to receiving land transfer acreages under which a specific acreage is received annually until a target level is received. Such an approach may lead to a more timely completion of the transfer process without placing a large burden on available financial and human resources. A 'starting place' may be lands within the "checkerboard" land pattern or lands currently identified for disposal in the Federal agency's land use plan.
7. One issue which will need to be addressed in discussions concerning the possible transfer of Federal lands to State ownership, is who would be responsible for and how fire suppression costs, which are largely borne by the Federal government at this time, would be paid.
8. Should Nevada receive a large acreage of Federal land, he would recommend consideration be given to the establishment of a State Land Board which could contain different types of expertise and levels of government representation.

Pam Borda - Executive Director for the Northeastern Nevada Regional Development Authority
1. Within Nevada, 87 percent of the land is controlled and managed by the federal government. This costs businesses millions of dollars in expenses and in delays in cost recovery; creates severe hardships resulting in lost business to the State; greatly reduces revenues that could be

derived from business and local/State government; and prevents communities from growing their economy in target industries.
2. Through its permitting, acquisition, and access programs, the Federal government has cost Elko County millions of dollars in revenue over the past two years and for the foreseeable future.
3. Currently, it takes 7 to 10 years to permit a mine at a cost of $2 to $4 million – this is in comparison to Canada where it can be done in 3 to 4 years.
4. Elko County has tried for many years to get contiguous blocks of land larger than 640 acres within the "checkerboard" land pattern. Elko County has lost two major business opportunities because they could not obtain more than 640 acres of contiguous land.
5. Access to public lands continues to be denied for a variety of reasons including sage grouse, the California National Historic Trail, bull trout, and travel management planning.
6. Growth in this state is severely limited due to lack of land to develop.
7. Federal government policies are preventing use of public land in all industries and is causing a loss of millions of dollars per year.
8. If the Federal agencies cannot work with the State and local governments, we need to manage the land ourselves.
9. The Federal government is reaping the benefits of our land with royalties, federal taxes and permit fees and, at the same time, causing a loss to many others.

Steve Hill - Executive Director, Nevada Governor's Office of Economic Development
1. Housing and land prices are one part of the solution to creating a healthy economy.
2. If there is a transfer of land, there may be an opportunity to streamline many processes which will have a significant impact on the State's economy and help to create jobs within the State.

November 21, 2013 (Reno, Nevada)

David VonSeggern – Chairman, Sierra Club, Toiyabe Chapter
1. The federal government currently has hundreds of federal employees responsible for managing the public land resources within Nevada. How would the State replace that number of employees?
2. There are thousands if not millions of pages of procedures, Memorandums of Understanding, guidelines, management plans, etc., which would need to be updated, rewritten, and reissued.
3. Funds would be needed to address the purchase or replacement of property such as offices, facilities, motor vehicles, fire equipment, and IT systems.
4. The State would need to identify sources of revenue to pay for the administration and maintenance of the transferred lands. Such sources might include grazing fee increases, access fees for recreational activities, increases in hunting and angling permit fees, mining fee increases, recreational equipment taxes, the State's general fund or land sales.
5. The current federal management arrangement works well for the Sierra Club and Nevada.
6. There have been decades of adjustments, cooperation, and fine tuning among local, state, and federal agencies.
7. Nevada benefits from the large federal government investment and environmental protections are greater under federal control. Disposal mechanisms such as County land bills and the Southern Nevada Public Land Management Act are already in place.

8. There are many intangible benefits from the public lands in Nevada including health and welfare to its citizens, maintaining the "Spirit of the Old West," scenic beauty values, unfettered enjoyment of the outdoors, preservation of species, and clean air and water.
9. The Sierra Club believes AB 227 would adversely affect the ability of their members and members of other recreational groups to (1) enjoy the 'wild' lands of Nevada and (2) effectively protect and conserve Nevada's air, water, wildlife, and scenery.
10. The public lands belong to all of the United States; not just to Nevada.
11. The Sierra Club opposes a massive land transfer from the federal government to State/County governments as prescribed in AB 227.

Larry Johnson – President, Coalition for Nevada's Wildlife
1. If transferred lands are to be disposed of, maintenance of access for hunting and fishing is of paramount concern.
2. If public lands are privatized, there is no guarantee that private land owners will manage lands for wildlife benefits.
3. Limitations in water availability would restrict the ability to develop privatized lands and said demands for water could result in adverse environmental impacts.
4. Privatization would increase the cost of accessing land for hunting and fishing, restricting this family tradition.
5. It is imperative that critical wildlife habitat, migration corridors and waterways be protected.
6. It is not clear that the State could generate enough revenue to properly manage an expanded land base which might result in degradation of key wildlife habitat resources.
7. The State of Nevada's inability to manage the feral horses in the Virginia Range is an example of why the State would not be able to effectively manage a larger number of horses.
8. The ability of the State to fund wild land firefighting and restoration activities must be considered - if funding is inadequate than the natural resource conditions will decline.

Kyle Davis - Political and Policy Director, Nevada Conservation League
1. Concerned that existing access to transferred lands will be eliminated.
2. Does not have confidence that the transferred lands would remain in public control.
3. Given the State's history of selling lands and current budget situation, isn't confident that a large amount of State controlled lands wouldn't be sold to balance the State's budget.
4. Currently, less than one percent of the State's budget is dedicated to conservation issues or actions.
5. Overall, there is not a general public investment in conservation within the State of Nevada and he doesn't see indication that approach will change in the future.
6. Does not believe the State has the experience to balance the multiple uses, he doesn't believe there is a momentum building in support of the transfer of the public lands to the State, and there have been successful, collaborative efforts to transfer lands in the past.
7. Does not believe the transfer of public lands to the State is a good idea.
8. The State isn't prepared and hasn't demonstrated the capability and willingness to manage these lands. 9. It is not in the local government's economic interest to set aside lands for conservation interests.
10. Historically, the State and local government priorities have not included conservation, and many issues – wildfire, climate change, wild horses, and invasive species - are too large for the State to handle alone.

11. There are many perils which come with the transfer of land from the federal government to the State of Nevada.

Doug Busselman – Executive Director, Nevada Farm Bureau
1. A survey of Nevada Farm Bureau farmer/rancher members revealed the following:

- 67.75 percent rated the proposal for transfer of federal lands as "Very Important"
- 82.86 percent agreed that Nevada should control federal lands
- 77.14 percent indicated greater advantages for Nevada to acquire federal lands
- More than 1/3 of members responding indicating that they believe Farm Bureau's current policy for lands to be converted to private ownership should be changed to have Nevada State Government control these lands.

2. Encouraged review of existing NRS and regulations to make certain State Lands manage lands within parameters of local land use plans.
3. Suggested it is Critical to build a consensus going forward, providing opportunity for local citizens to participate in identification of lands to be included and understanding the options for management of these lands.
4. Review of existing NRS and regulations may stimulate ideas for changes which are necessary to give Nevada citizens greater input than the current system of federal management provides.

December 6, 2013 (Las Vegas, Nevada)

Scott Higginson - FourSquare Group, a consultant to the Clark County Regional Flood Control; Mr. Higginson was also speaking on behalf of other entities in Clark County
1. Recommended an alternative approach that he hopes will be included in the Task Force's recommendation to the Legislative Public Lands Committee that federal legislation be recommended that allows the fee title ownership of the federal lands where permanent public facilities have been constructed through the R&PP Act or granted through Right-of-Way applications be turned over to the entity who built those permanent structures.
2. Encouraged the Task Force to develop a recommendation requesting the State Legislature's support for federal legislation to accomplish the transfer of ownership of lands containing permanent public facilities to the entity owning those facilities.

Karla Norris - Assistant District Manager for the Southern Nevada Public Lands Management Act (SNPLMA), BLM Southern Nevada District Office, Las Vegas
1. With passage of the Federal Land Policy and Management Act of 1976 (FLPMA), Congress declared public lands should be retained in federal ownership, unless, as a result of land use planning, disposal would serve the national interest.
2. FLPMA also declared that the public lands would be managed for several purposes including:

- Promote multiple use and sustained yield;
- Protect the scientific, scenic, historical, ecological environment, air and atmosphere, water resources, and archaeological values;
- Preserve the lands in their natural condition to provide food and habitat for fish, wildlife, and domestic animals; and,
- Provide for outdoor recreation and human occupancy and use

3. SNPLMA was enacted in 1998 to provide for the orderly disposal of certain federal lands in Clark County and to expand the sale proceeds and other revenues for purposes identified in the Act.
4. Over 15 years of implementation, sale of public lands in Clark County have generated over $3.3 billion which has been used to fund over 1,200 projects in 8 major categories.

Tony Rampton - Utah's Assistant Attorney General
1. The Supreme Court found in 1980 that the State's enabling acts equate to contracts between the Federal government and the State within which each party entering into the contact is entitled to be benefit of their bargain.
2. Disposal of the federal lands was clearly intended by both the United States government and the State at the time of the enabling legislation.
3. There is a "good faith" argument that could be made as to the constitutionality of the transfer of public lands to the State.
4. Currently, the United States Supreme Court looks fondly on States' rights and there is a possibility if that the property clause question were presented to this Supreme Court, it could rule in the State's favor.
5. The issues shouldn't be resolved based on emotion or ideology but on pragmatism and the law.
6. Nevada is approaching the issue appropriately by being careful and taking things one step at a time.
7. Commends the State for its approach to an important question having a major effect on things such as revenues, education, and jobs.

Mark Squillace - Professor of Law, University of Colorado
1.Suggested other alternative avenues such as land exchange or working with Congress to change the General Mining Act to increase the State's control over certain public lands that it believes would benefit from closer State management.
2. The State of Nevada cannot make a credible legal argument to support a transfer of federal land to the State.
3. How can a state that has expressly disclaimed all right and title to its unappropriated public lands now lay claim to those same lands?
4. When the Congress enacted FLPMA and established a policy of retaining the public lands in federal ownership it was exercising a power that was expressly countenanced by the Court in its San Francisco decision.
5. In Kleppe v. New Mexico the Supreme Court held that Congress has "complete power" over public lands, and this power necessarily includes the power to regulate and protect the wildlife thereon.
6. It is simply not possible to reconcile this complete power – recognized by the Court in New Mexico – with any state claim of ownership to the federal public lands.

January 24, 2014 (Carson City, Nevada)
Leo Drozdoff – Director, Nevada Department of Conservation and Natural Resources (DCNR)
1. The organization and structure of the Department's divisions have been established based on the amount of private and State land within Nevada.

2. Significant change in the State's land ownership pattern (as suggested under Assembly Bill (AB) 227) would require significant changes to the organizational structure and operational strategies of several State agencies (particularly the Nevada Division of Forestry (NDF) and the Division of State Lands (DSL) but not many statutory changes.
3. Current programs are built to be robust but not duplicative of federal agency efforts.
4. A possible avenue for managing the transfer of public lands to the State would be sequential approach focusing first on areas where the interface between the State and federal agencies has been worked out such as the checkerboard land pattern along Interstate 80. Then, as the State or Counties are ready for additional acreages, they could be requested.
5. States containing significantly higher percentages of State and private land have State land agencies that are typically larger in staffing and more bureaucratic as compared to Nevada's DSL.
6. A significant change in the land ownership pattern would require NDF to reconsider its current staffing structure and operational strategies to suppress wildfires.

February 21, 2014 (Carson City, Nevada)
Mr. Don Pattalock - President, New Nevada Resources, LLC
1. New Nevada Resources manages over 1.25 million acres of fee mineral rights and royalty interest and approximately 500,000 acres of fee surface ownership in Nevada.
2. New Nevada Resources generates most of its revenues from following activities: land sales; water sales and development; leases; easements, right of ways and access; mining leases; oil and gas leases; geothermal leases; and royalty income.
3. New Nevada Resources land sales have historically averaged between $5 and $7 million annually.
4. New Nevada Resources receives royalties from mineral production in the areas of gold, silver, iron ore, limestone, and barite on their lands; however, there is no federal royalty on hard rock minerals.
5. Mr. Pattalock referenced other oil/gas producing areas such as the Bakken shale in North Dakota, Eagle Ford shale in Texas, and Tuscaloosa Marine shale in Alabama where the oil producing shale is a couple of hundred feet thick and has significantly changed the economies of those areas. In contrast, the Chainman and Elko shale formations lie at depths ranging from 7,000 to 12,000 below the surface of the earth and vary from 10,000 to 15,000 feet in depth.
6. The distribution of New Nevada Resources revenues is as follows: mining lease revenue (65%); royalty revenues (leased, 2%); geothermal lease revenue (3%); grazing revenue (2%); land sale revenue (5%); other lease revenue (4%); water sale revenue (19%).
7. Mr. Pattalock offered several reasons why the Task Force should consider public lands within the checkerboard land pattern as part of the initial request for transfer from the federal government:

- The checkerboard land pattern is difficult to manage for both the private land owners as well as the federal agencies.
- There are no United State Forest Service (USFS) lands within the checkerboard, which minimizes the number of federal agencies to be dealt with.
- There are no federally designated wilderness areas or wilderness study areas within the checkerboard land pattern.
- There are few wild horse management areas within the checkerboard land pattern.

- The Union Pacific Railroad mainline, Interstate 80, U. S. 95, and U. S. 93 transportation corridors lie within the checkerboard land pattern.

8. New Nevada Resources has not, despite several attempts, been able to consummate a land exchange with the federal government in fifteen years.
9. Mr. Pattalock believes the transfer of public lands to the State within the checkerboard land pattern would beneficial to the State as well as New Nevada Resources as the lands would be managed from a revenue generation perspective bringing more growth and opportunities for increased agriculture, community development, and regional economic benefits, and improved management through ownership consolidation.
10. It will be critical for the State of Nevada to be prepared and have programs in place to manage the lands to the actual transfer of ownership.
11. Leasable mineral royalties will likely be a negotiated item but could result in substantial revenue for the State if acquired with the transfer.
12. Just having the lands available for sale doesn't make those lands salable.

March 28, 2014 (Carson City, Nevada)
There were no formal presentations given.

April 25, 2014 (Carson City, Nevada)
There were no formal presentations given.

May 30, 2014 (Carson City, Nevada)
There were no formal presentations given.

June 27, 2014 (Carson City, Nevada)
There were no formal presentations given.

July 18, 2014 (Carson City, Nevada)
There were no formal presentations given.

APPENDIX D

Listing of Persons Providing Public Comments and Summary of Issues Raised

Persons Providing Public Comments and Summary of Issues Raised

June 28, 2013 (Carson City, Nevada)
There were no public comments.

August 16, 2013 (Eureka, Nevada)
Jim Faulk - spoke about the great increases in federal lands over the last number of years, and said that he believed that this increase was related to the UN's Agenda 21 initiative.

Jim Gifford - noted that the Task Force needs to pay attention to using the word "public lands." He also suggested that the Task Force would benefit from obtaining a financial analyst.

Assemblyman John Ellison - Noted that PILT Funding is not consistent, and it is an ongoing uphill battle.

September 27, 2013 (Winnemucca, Nevada)
Robert Clifford - **E**ncouraged the Task Force to review Nevada Revised Statue (NRS) 321 – Title 26 - Administration, Control and Transfer of State Lands – which, in his opinion, already addresses the issues facing the Task Force including mechanisms for managing the transferred lands and the decision making processes.

Cliff Gardner – Expressed concern over the extent to which federal land manager decisions have been influenced by environmental interests in a manner adverse to multiple uses such as livestock grazing.
Jim Falk - Encouraged the Task Force to expedite its deliberations because of ongoing activities of other state and federal agencies whose outcomes will further constrain public land uses in Nevada.

Floyd W. Rathbun – Encouraged the Task Force to consider the beneficial direct and indirect economic and environmental impacts of the range livestock sector as an important use of transferred land in Nevada. He also encouraged the Task Force and its contractor to identify the costs of failing to act.

Grant Gerber - Encouraged the Task Force to give significance to the issue of the federal government's failed policies which have led to a significant increase in the number of acres and animals burned by wildfire annually as well as the significant increase in pollution from those fires.

November 1, 2013 (Reno, Nevada)
Ed Martinez - For many years, BLM's Battle Mountain office contained a staff of three individuals and is now a bloated, top heavy bureaucracy of 320 agents. He believes Nevada can manage with a lot less.

June Carter - The use and access to the public lands is a major issue. Another issue which came to mind while listening to today's discussions is the issue of money. She doesn't mind paying federal income tax but no one in the room pays a state income tax. If Nevada becomes

responsible for the administration of these lands, she is concerned with how will it be paid for. She believes three things might happen - we will obtain the lands which won't be accessible to the public, new taxes will have to be instilled, or there will be a 'pay to play' situation. She doesn't believe AB 227 is in the best interest of the State given the economics of the situation.

Jake Tibbits - He believes the Task Force should assume the transfer of public lands to the State will take place. He recommends the Task Force move forward with an extreme bias toward solutions. What he has failed to hear from individuals raising the issues are solutions to those issues. It is important to move forward with solutions as if the transfer of public lands is to take place.

Karen Dallett - Encouraged the Task Force to invite the non-profit, friends, and other organizations to share their opinions on the transfer of public lands to the State and understand the knowledge they could bring to the Task Force.

Tina Knappe - Believes it will be impossible at the State and local levels to hold on to same kinds of grazing fees, mining and other fees that the BLM collects. Believes members of the Task Force are too close to those who will be paying those fees. The State has no interest in protecting cultural resources and puts no money into wildlife except that generated by the Nevada Department of Wildlife. While she is hears people supporting multiple uses, she does not believe they define 'multiple use' as everyone doing what they want to do. Such an approach won't protect endangered species or sage grouse. The more land you remove from public ownership to private ownership, the more water you need, which is a very limited resource. In reality, the public lands have protected Nevada from having to make difficult decisions. She encouraged the Task Force to complete a valid inventory of the financial investment Nevada currently receives from the federal government so that the State is prepared to manage these lands, if and when the transfer takes place.

Bob Fulkerson – If federal lands are transferred to the State of Nevada, public access to said lands will be greatly diminished, if not precluded altogether. The State of Nevada has demonstrated that it cannot effectively manage our land, water, wildlife and other resources without federal intervention.

Trish Swain – Concerned about unanticipated consequences of a land transfer. Does not see the need for a land transfer, not sure what a transfer is trying to fix. Federal lands provide important benefits to Nevadans and the Nation. Public lands belong to all U.S. citizens not just Nevadans. Desires that management issues be resolved and lands not transferred.

Anthony Karr – Opposed to transfer of federal land to State of Nevada. Said lands belong to all taxpayers not just state residents.

Earl Piercy – In favor of keeping our federal public lands.

Elaine Brooks – Would not like to see the federal lands sold off and free access restricted. The State of Nevada does not have the financial resources to effectively manage the federal land area.

Kay Sanders – Opposed to the transfer of federal lands to the State of Nevada proposed by AB 227. The State does not have the financial resources to effectively manage the expanded land resources.

Traci Ferrante - Opposed to the transfer of federal lands to the State of Nevada. Concerned that State would sell lands to cover costs of management.

Zena and Walter Lamp – Keep our public lands federal.

Pierre Mousset-Jones - Opposed to the transfer of federal lands to the State of Nevada. The State of Nevada cannot competently manage these lands; cannot afford to manage the lands; and management decisions would be influenced by special narrow state interests.

Doug Vacek – Opposed to the transfer of federal lands to the State of Nevada.

Sue and Bobby Watson - Opposed to the transfer of federal lands to the State of Nevada.

December 6, 2013 (Las Vegas, Nevada)

Terri Robertson - Believes the only purpose of the transfer of public lands to the State is to allow the State to sell those lands into private ownership. Expressed how people who move from states with little or no public land to Nevada must feel when they can walk, ride, and learn to love the public lands in Nevada, which are the State's greatest treasure that must be preserved and protected. Is not concerned with the hardships experienced by ranchers and others who depend on the public lands but cares about being able to drive and walk where she wanted and to continue to live in a State she loves. The makeup of the Task Force at one representative per county is unfair to the residents of Clark County. Clark County has not traditionally been treated equitably by the Legislature. The State of Nevada cannot afford to manage an expanded land base. Selling the lands will be the State's only option which will restrict access.

Nancy Gentis - The Bureau of Land Management (BLM) has a "multiple use" philosophy for managing the public lands, which allows everyone to use those lands. Believes that under private ownership only certain people would be able to continue using those lands. Doesn't believe Nevada has the resources to manage the land if it were transferred to the State.

Michelle Burkett –The State of Nevada cannot afford to manage an expanded state land base.

Sandra Dyan – Public lands need to be kept public.

David Mahon – Please keep Red Rocks public. Opposed to privatizing any parks.

Kristin Kosacek – Keep our public lands public.

John Marchese – Federally managed public lands allow for multiple use which balances economic interests with recreation and conservation. Public lands are an economic driver bringing tourism and discretionary spending. Nevada does not have the resources to manage public lands and would likely sell them into private ownership.

January 24, 2014 (Carson City, Nevada)
Cliff Gardner - Believes the problems being experienced on the public lands now are due to the fact that citizens are not afforded full due process rights particularly in regards to being under the common law. Water rights administered by the State of Nevada are not recognized by the U. S. Supreme Court as being an obtained for steward of sovereignty. Water rights managed by the State of Nevada are viewed by the Supreme Court as being obtained pursuant to the 1866 Act, which places the State in a very vulnerable position where the right to have jurisdiction over those water rights will be undermined. Encouraged the Task Force to do everything possible to have the State of Nevada gain full control over the public lands.

Bevan Lister - Supported the effort and the issues ahead of the Task Force. Management in our system of government is best done at home, which is the only way that principal will become a reality. There may only be one opportunity to transfer the public lands. Writing legislation containing a tapered time line is one of many options to explore.

February 21, 2014 (Carson City, Nevada)
No public comment.

March 28, 2014 (Carson City, Nevada)
Bob Clifford - Questioned the credibility of the analysis summarized at the end of the letter that suggests the State of Nevada could receive approximately $371 million from the management of the public lands transferred to the State of Nevada. Suggested a "bottoms up" analysis of the top revenue sources including revenues that would be generated at current rates for those sources and the rates charged for those sources by other States', to determine the potential range of revenues which could be generated. Suggested including "managing for multiple uses" as one objective (in addition to managing for maximum sustainable revenue) for the lands to be transferred to the State of Nevada. Opponents to the transfer will claim the lands will be managed for maximum sustainable use and that managing for multiple uses would not be a priority.

Morgan Lynn – BLM does not care about local economies. BLM permitting procedures constrain local economies.

April 25, 2014 (Carson City, Nevada)
No public comment.

May 30, 2014 (Carson City, Nevada)
No public comment.

June 27, 2014 (Carson City, Nevada)
Tina Nappe - The Task Force's draft report is that it does not address the value of the federal employees that work within the State of Nevada. As an example she noted Lander and Humboldt Counties where there are fairly large BLM offices with staff that have good jobs with good pay and benefits. BLM archeologists not only do their job in clearances but also go out and do special projects. She does not see any reference to those types of activities in the Task Force's draft report. She believes that Nevada will lose much of its history and archaeology if an

investment is not made in those resources. The federal partners have been some of the best in investing in the State's historical and archaeological resources. The economic value of the federal jobs is of concern to her and is not addressed in the draft report.

She noted that the federal lands have protected the State from having to deal with the State's scarce water resources. The more land that is sold, the more demand there is for water at a time when we are going to have less and less water to address those demands. She believes the Task Force should be looking at how we will address the water issue.

She observed that the federal agencies have invested a lot in economic development as far as tourism goes. She does not believe the State will invest the same amount of money nor has the Task Force proposed using revenues for such resources. Such facilities are economic development actions that the citizens have taken for granted.

Ms. Nappe stated she doesn't understand how the Task Force will balance its budget. The sale of land will take a significant amount of time and the most valuable land will be near urban areas. She doesn't see how the Task Force will generate the identified income as the land will not sell for very much and won't produce much in taxes.

She noted that the Nevada Department of Agriculture is responsible for managing horses on State lands but they have no budget to do so. If they had a budget, they could deal with the horses at Washoe Lake but they won't. If you want to get involved with management of the horses on a state level, give the Department some money and wait for the ruckus to begin when you propose to remove a single horse even if it isn't a wild horse. Similarly, there is no range management here, which is more than just livestock grazing. Where would the State find the budget for replacing forage on burned lands or pinyon-juniper removal?

She stated that she appreciates that the federal government is slow, complex, and frustrating to work with but it is better than not having it.

Carl F. Clinger – Observed that the phased approach to the land transfer proposed by the Task Force is an excellent approach but based upon past experience all phases need to be defined at the outset. The Task Force decision to not transfer Wilderness Designated Land may not be in the best interest of the State. Wilderness Study Areas are managed as Wilderness and the Congress has been slow to determine whether these areas will be designated as Wilderness.

July 18, 2014 (Carson City, Nevada)

A July 16, 2014 letter was received from Mr. Carl Eriquiaga as Chairman of the Churchill County Commission characterizing public comments received during the July 3, 2014 Churchill County Commission meeting and stating that Churchill County is supportive of the Nevada Land Management Task Force draft report to the Legislative Committee on Public Lands concerning the Congressional Transfer of Public Lands to the State of Nevada.

A July 31, 2013 Memorandum from the Humboldt County Administrator to the Humboldt County Commissioners was received which outlined key issues for consideration by the County Commission regarding a congressional transfer of public land to the State of Nevada. Attached to the Memorandum were public comments submitted to the County for consideration including an email from Mr. Lewis Trout which noted several perceived limitations of the draft Task Force report and a written proposal from Mr. Lyman Youngberg outlining a suggested approach to calculating grazing fees on public land transferred to the State of Nevada.

A written set of comments submitted by Mr. Mike Lemich, a White Pine County resident suggesting that Nevada should be compensated by the federal government for the extensive lands under federal control such as National Parks and military bases.

An email from Ms. Doris Metcalf, a resident of White Pine County to White Pine County Commissioner Laurie Carson noting that the draft Task Force report fails to include cultural resource surveys by BLM as a cost to transfer public land; a concern that estimated State costs to fight wildfires on a proposed expanded state land base are too low; failure to list the Nevada State Historic Preservation Office (SHPO) as an entity which would be involved in permitting of land uses on state lands; and a lack of discussion as to how the State of Nevada would handle wild horse and burro management on transferred lands.

APPENDIX E

Listing of Dates on Which County Commissions in Nevada Formally Considered the Draft Report and Recommendations of the Nevada Land Management Task Force with Web Links to Related County Commission Meeting Minutes

Listing of Dates on Which County Commissions in Nevada Formally Considered the Draft Report and Recommendations of the Nevada Land Management Task Force with Web Links to Related County Commission Meeting Minutes

County	Date(s) on County Commission Agenda	Web Link: Meeting Agendas/Minutes
Carson City	Not Agendized	N/A
Churchill	7/3/14	http://www.churchillcounty.org/DocumentCenter/Index/276
Clark	4/1; 7/1/14	http://www.clarkcountynv.gov/Depts/public_communications/Pages/Agendas2.aspx
Douglas	5/15/14	http://www.douglascountynv.gov/Archive.aspx?AMID=36
Elko	7/9/14	http://www.elkocountynv.net/meetings/board_of_commissioners/index.php
Esmeralda	5/6; 5/19; 7/15/14	http://www.accessesmeralda.com/
Eureka	6/20/14	http://www.co.eureka.nv.us/comish/minutes.htm
Humboldt	5/19/14; 6/16/14	http://www.hcnv.us:1403/cgi-bin/cmw100
Lander	7/10/14	http://landercountynv.org/agendas-and-meetings/agendas
Lincoln	5/5/14	http://www.lincolncountynv.org/meetings/countycommissioner/Agenda-050514.html
Lyon	7/3/14	http://www.lyon-county.org/archive.aspx
Mineral	5/19/14	http://www.mineralcountynv.us/index.php?option=com_content&view=article&id=49&Itemid=63
Nye	7/15/14	http://nv-nyecounty.civicplus.com/AgendaCenter/ViewFile/Agenda/07152014-840
Pershing	6/6/14	http://www.pershingcounty.net/calendar/meetings-minutes.html
Storey	Not Agendized	N/A
Washoe	4/8/14; 6/24/14	http://www.washoecounty.us/clerks/minutes_lookup.php
White Pine	5/28/14; 7/9/14	http://whitepinecounty.net/AgendaCenter

APPENDIX F

Comparative Analysis of Revenues and Expenses for State Trust Land Management and Bureau of Land Management in Select States: Implications for an Expanded State Land Base in Nevada

Comparative Analysis of Revenues and Expenses for State Trust Land Management and Bureau of Land Management in Select States: Implications for an Expanded State Land Base in Nevada

Prepared For:
Nevada Association of Counties
on Behalf of Nevada Public Land Management Task Force

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May 30, 2014

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INTRODUCTION

A.B. 227 (Chapter 299, *Statutes of Nevada 2013*) established the Nevada Land Management Task Force (hereinafter referred to as Task Force). A.B. 227 requires that a study be produced as a result of the Task Force's work, specifically covering three main things: 1) an economic analysis including costs and revenues associated with transferring federal lands to the State; 2) a proposed plan for the administration and management of any lands transferred; and 3) an identification of the lands that Task Force determines would be included in any potential transfer. The Task Force must present their findings in one report to the Legislative Committee on Public Lands on or before September 1, 2014.

In response to the study requirement contained in AB 227, the Nevada Association of Counties (NACO) on behalf of the Task Force contracted with Intertech Services Corporation (ISC) to address item 1) above; an economic analysis including costs and revenues associated with transferring federal state lands to the State of Nevada. This report presents the results of said analysis. ISC was assisted in preparation of this report by Resource Concepts, Inc.

An analysis similar to that documented within this report was prepared by ISC and RCI in 1994 at the request of Eureka County, Nevada.[8] Given the 20-plus year old nature of the Eureka County study, the Task Force elected to undertake a current analysis which is documented in this report.

This report considers patterns of select state school trust land management entities and Bureau of Land Management revenue generation, expenditures and production of outputs from management of land resources. This information is intended to provide insight as to what might be expected should Congress transfer title to federal land in Nevada to the State of Nevada resulting in an expanded state land base. Information contained within this report is intended to aid the Task Force and the Nevada Legislature's Public Lands Committee in understanding apparent opportunities and constraints to generating net revenues from expanded land management activities in Nevada.

The transfer of title to public lands in Nevada from the federal government to the State of Nevada could provide new sources of revenue and require new levels of expenditure by state government. A decision by the Task Force to recommend and by the Nevada's Executive and Legislative branches of government to pursue a Congressional transfer of federally administered land in Nevada to the State might reasonably be expected to include consideration of expected revenues and costs. Presumably, a decision to pursue a Congressional transfer of federally administered land in Nevada to the State would be conditioned upon an expectation that land management revenues would exceed expenses, thereby providing a stream of net revenues to assist with funding the State and its existing programs. Ultimately, the need by the State to generate revenues sufficient to cover reasonable costs might have a significant bearing upon land management policies for newly acquired public lands. It is important for policy makers to be

[8] Resource Concepts, Inc., *Identification of Public Land Transfer Issues and Preliminary Comparative Economic Analysis*, prepared in consultation with Intertech Services Corporation for Eureka County Board of Commissioners, Eureka, Nevada, November 22,1994.

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informed about the potential for management of newly acquired lands to require expenditures of funds and to generate net revenues.

Beyond the important question of expected costs and revenues, issues of emphasis and efficiency in existing public land management practices deserve consideration. Expenditure of public funds for land management purposes can be focused upon both revenue and non-revenue producing activities. Management of public land can result in the production of economic and non-economic outputs. For example, production of forage for consumption by domestic livestock is considered an economic output. Alternatively, production of forage for consumption by wild horses and burros might be considered a non-economic output. The production of forage for livestock consumption is predicated upon a desire to produce economic returns, whereas the production of forage for wild horses and burros is the result of the need to comply with federal laws mandating protection of these species.

Matters of public policy and legal mandates have served to structure existing federal land (also referred to as "public" in this report) management practices in Nevada. Under State of Nevada administration, land management policies might be revised to alter emphasis upon either production of economic or non-economic outputs. Continued requirements for compliance with federal legal mandates might depend upon the outcome of federal court proceedings and/or Congressional action. Policy makers might then benefit from an understanding of existing patterns of emphasis upon the expenditure of monies in the production of economic and non-economic outputs from public lands.

Measures of efficiency under existing public land management practices may be useful in framing prospective revenue and cost relationships. Factors such as Full-Time-Equivalents (FTEs) per acre or FTEs per revenue dollar, AUMs produced per acre, and revenues and expenditures per acre may be used to evaluate differences between existing federal land management programs and those of states. Consideration of these factors may suggest the extent to which alternative scenarios of emphasis upon management for production of economic and non-economic outputs might influence costs and revenues.

Collectively then, policy makers would benefit from an understanding of the potential for public land management activities to produce net economic benefits. Factors affecting revenue generation may include total available acreage by type (i.e., rangeland, forest, etc.); production constraints such as elevation, climate, soil types, slope, surface and groundwater hydrology, and geology, among others; competing supplies and demand for producible outputs; pricing of outputs; and trends in production of marketable resources, among others. With the possible exceptions of pricing and controlling quantities of outputs produced (i.e., number of AUMs or barrels of oil), options for influencing revenues will typically be limited by the characteristics of natural resources available. Obviously, those characteristics will vary among states and within a state. What might be learned from consideration of revenue generation in other states must be viewed with local conditions in mind.

As has been noted previously, land management expenditures, either in the case of the federal government or by states, will be dependent upon both public policy and legal mandate. While federal policy and legal mandate may be widely applicable across several states, individual states

are free to establish unique policies and legal requirements for administration of state lands. States may choose to parrot federal land management initiatives, may exceed federal requirements and mandates in some cases, or may elect to de-emphasize certain federal priorities. For example, while the federal government may be required through legal mandate to provide habitat for wild horses and burros, states may not be similarly inclined. While federal land managers may be required by law to identify and administer wilderness study areas, states may elect to not pursue similar land management activities. States may elect to conduct forage inventories on an annual basis, whereas the federal government may conduct such inventories with less frequency. Each course of action, whether mandated or developed as a result of discretionary authority, will have commensurate implications on land management expenditures, revenues and the generation of net revenues.

This report, then, is intended to help answer the following questions:

1) To what degree have other states been able to generate net revenues as a result of land management activities?
2) What have been the major revenue sources from land management activities of other states?
3) In the event the State of Nevada were successful in assuming administrative authority for public lands within the state, what is the potential for related land management revenues to exceed expenditures?
4) In the event the State of Nevada were successful in securing Congressional transfer of BLM administered land to the State, what is the potential for related land management revenues to exceed expenditures?
5) How have other states distributed net revenues generated from state trust land management activities?
5) To what degree has the Bureau of Land Management been able to generate net revenues as a result of land management activities within selected states?
6) What have been the major revenue sources from land management activities of the Bureau of Land Management?
7) To what extent does the federal government currently distribute public land management related revenues to the State of Nevada and her local governments?
8) How do revenues, expenditures, labor utilization, and resource production rates differ among different state land and BLM state programs, and between state and federal land management activities?

METHODOLOGY

To aid Nevada policy makers in determining the potential for generation of net revenues through management of an expanded state land base, a comparison of other state trust land management fiscal situations was determined appropriate. The comparative analysis focuses upon land management activities within the neighboring states of Arizona, New Mexico, Utah and Idaho. These same four states were considered in the previously described study commissioned by Eureka County, Nevada in 1994. The number of states considered within this preliminary evaluation was necessarily limited by time and budget constraints. The use of several states was, however, deemed important to filter potentially extreme conditions. The four states were selected on the basis of their similarities to Nevada. For example, Utah contains a portion of the

Great Basin and consequently has many similar physiographic characteristics to Nevada. Although the four states have many natural features similar to Nevada, there are important differences which tend to influence public land management costs and revenues. Utah, for example, contains coal producing regions. Idaho is characterized by large areas of commercial forest. New Mexico's land area supports extensive production of oil and gas.

The comparative analysis considers both revenues and costs, and production of outputs for state land management agencies and the Bureau of Land Management in these four states. The analysis of BLM revenues and costs also considers Nevada. In addition to using data from multiple states, thereby providing spatial control, information covering five fiscal years was utilized (2008 – 2012). Data obtained for this analysis was consequently able to reflect broad geographical and temporal conditions. It is also important to note that the selected years of analysis also encompassed the period of time wherein the United States entered and began its recovery from the Great Recession which resulted in profound adverse economic and fiscal consequences throughout the western United States. The analysis of actual net revenues addressed within this report both for the States of Arizona, Idaho, New Mexico and Utah and estimates of potential net revenues for the State of Nevada then is considered conservative given that it is based upon a generally recessed period of the U.S. economy.

At the federal level, the evaluation is limited to consideration of the BLM. Because BLM administers the vast majority of all public lands within Nevada, focus upon this agency within this preliminary study is appropriate. It is also consistent with the analysis commissioned by Eureka County, Nevada in 1994. The analysis of BLM included statewide revenue, cost and output features in the states of Idaho, Utah, Arizona, New Mexico and Nevada. BLM data on revenues and outputs was obtained largely from annual reports (USDI, 2008 through 2012). Expenditure and employment information was provided by BLM state office staff in the form of unpublished tables and reports. In some cases, all or portions of the collected BLM information had to be requested through the Freedom of Information Act (FOIA). Generally, BLM staff was very helpful in providing requested information.

Because Nevada presently does not administer a comparable level of land area, collection of statewide land management revenue, cost and output data was limited to the states of Idaho, Utah, Arizona and New Mexico. The absence of comparable Nevada data should not be seen as a deficiency of this analysis. In fact, a primary objective of this research was to develop an assumed cost and revenue structure for Congressionally transferred lands which might be administered by the State of Nevada. State land management cost, revenue, output and employment data was obtained from state land management agency annual reports and contact with staff of state land management agencies

As data was received, it was entered into electronic spreadsheets for display and analytical purposes. Spreadsheets were used to calculate performance ratios, derive net values and , calculate multi-year averages. The compiled information was first arrayed by state and year to facilitate multi-year comparisons. Observed high, observed low and five-year averages were then derived for the BLM and state data, respectively. This approach provided state by state ranges of revenue, expenditure and output information. The five-year average data for BLM and states, respectively, were then combined to derive multi-state averages for revenues,

expenditures and outputs. The multi-state data allows a comparison of observed high, observed low and average revenues, expenditures and outputs across all states. Information for state land management agencies is particularly useful in establishing a defensible range within which prospective annual figures for Nevada could be estimated.

Estimates of costs and revenues for Nevada assuming management of public lands was based on expenditures and revenues of individual states and multi-state averages. These initial estimates assume that revenues and costs associated with management of an expanded state land base in Nevada would fall within the range of observed costs and revenues observed in other states.

RESULTS

The collection and analysis of other state and BLM land management costs, revenue, employment and output data produced a variety of findings useful to decision-makers considering expansion of the area of state land holdings in Nevada. The discussion of results contained within this report have been divided into the following four topical areas: state agency trends, estimated Nevada costs and revenues, BLM trends and current distribution of funds by BLM to Nevada and her local governments.

State Trust Land Management Trends

Tables 1 through 4 summarize public land management cost, revenue, output and employment data for the states of Arizona, Idaho, New Mexico and Utah during fiscal years 2008 through 2012. The information contained within Tables 1 through 4 begins to suggest both similarities and differences between the states. For example, somewhat unique to Arizona is the state's agriculture leasing (farmland) program. Arizona leases in excess of 155,000 acres of farmland, producing lease revenues which exceeded $1,400,000 in 2012. Unlike other states considered in this study, Idaho generates extensive revenues through timber sales. During the period 2008 through 2012, timber sales accounted for over fifty percent of revenues generated from management of state land in Idaho. Apart from agricultural land leases in Arizona and timber harvested from state forests in Idaho, revenues from state lands considered are generally derived from grazing, oil and gas, land sales and mining activities. As will be discussed later in more detail, land sales do represent an important revenue source for state land management agencies, despite the fact that states sell relatively small acreages of land each year.

Tables 5 through 8 provide calculations of observed high, observed low and the five-year average value for cost, revenue, output and employment characteristics for state trust land management agencies in Arizona, Idaho, New Mexico and Utah during the 2008 through 2012 five-year period. Table 9 contains a summary of five-year averages for each state. Observed high, observed low and combined averages for all states across the five-year period are summarized in Table 10.

Review of Table 9 reveals that New Mexico achieved the highest five-year average revenue per acre ($59.01) among the four states considered. New Mexico's ability to generate greater revenues per acre is related to the significant contribution of oil and gas revenues derived from state trust lands. Forest management activities likely contribute to Idaho having the highest five-year average land management expense per acre ($8.60). During the period of 2008 through 2012, New Mexico achieved the lowest expense per acre of state land managed ($1.46) followed

by Arizona at $1.86 per acre.. These relatively low expense rates per acre are in part because New Mexico and Arizona manage three to four-times as much land as do Idaho and Utah. The observed experience of Arizona and New Mexico's suggest that costs per acre may decline as total acreage managed increases.

Due largely to its coal resources, the State of Utah had the second highest five-year average revenue per acre ($38.50). As a consequence of its relatively high revenue per acre and low costs per acre, the State of New Mexico achieved the greatest net revenue per acre ($57.55) through management of state trust lands during the five year period of 2008-2012.

Table 1. Five Year Summary of Revenues, Expenditures, Employment, Output: Arizona State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	$382,385,591	$247,043,134	$155,429,218	$190,308,434	$213,218,799
Expenses	$18,088,700	$14,281,700	$23,880,660	$13,455,900	$14,336,300
Net Revenue	$364,296,891	$232,761,434	$131,548,558	$176,852,534	$198,882,499
Total Acres Managed	9,260,253	9,259,268	9,258,071	9,252,495	9,302,255
Revenue/Acre	$41.00	$26.00	$16.78	$19.11	$21.38
Expense/Acre	$1.95	$1.54	$2.58	$1.45	$1.54
Net Revenue/Acre	$39.00	$25.00	$14.00	$19.00	$21.38
Total FTEs	173	175	154	151	124
Acres/FTE	53,527	52,910	60,117	61,274	75,018
Revenue/FTE	$2,210,321	$1,411,675	$1,009,280	$1,260,320	$1,719,506
Expense/FTE	$104,558	$81,609	$155,069	$89,111	$115,615
Net Revenue/FTE	$2,105,762	$1,330,065	$854,211	$1,171,208	$1,603,891
Grazing Revenue	$2,417,763	$2,559,337	$2,403,080	$2,390,769	$2,458,350
No. Grazing Leases	1,247	1,246	1,247	1,239	1,224
Total Grazing Acres	8,405,942	8,405,371	8,408,033	8,368,575	8,378,985
Grazing Revenue/Acre Grazed	$3.00	$3.00	$3.00	$3.00	$3.00
Price per AUM	$2.29	$2.23	$2.28	$2.30	$2.41
Agriculture Lease Revenue	$4,201,575	$4,458,855	$4,944,449	$4,362,612	$4,470,978
No. of Agriculture Leases	387	379	367	354	347
Agriculture Acres Leased	170,487	166,152	163,186	156,575	157,174
Revenue/Leased Agricultural Acre	$24.00	$26.00	$30.00	$27.00	$28.00
Oil & Gas Lease Revenue	$1,006,274	$1,149,669	$399,937	$457,623	$1,614,618
No. of Oil & Gas Leases	519	513	320	204	291
Oil & Gas Acres Leased	1,004,792	992,880	571,637	330,833	508,567
Oil & Gas Lease Revenue/Leased Acre	$1.00	$1.15	$0.70	$1.38	$3.17
Mineral Lease Revenue	$719,000	$766,507	$2,800,008	$1,528,934	$1,770,197
No. of Mineral Leases	492	514	475	1,091	873
Mineral Acres Leased	179,273	195,773	191,360	526,017	406,384
Mineral Lease Revenue/Leased Acre	$4.00	$3.00	$14.00	$2.00	$4.00
Oil, Gas and Mineral Royalty Revenue	$3,859,592	$2,562,652	$26,539,675	$39,756,402	$21,783,656
Oil, Gas and Mineral Royalty Revenue/Acre Leased	$3.26	$2.16	$33.46	$46.39	$23.80
Acres Sold	1,994.32	1,381.72	918.36	5,598.94	9,600.44

Table 1. Five Year Summary of Revenues, Expenditures, Employment, Output: Arizona State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Land Sale Revenue	$125,997,000	$71,752,000	$19,151,000	$104,371,586	$119,886,949
Land Sale Revenue/Acre Sold	$63,177	$51,929	$20,853	$18,641	$12,487

Source: Arizona State Land Department, *Annual Reports, 2008 through 2012*.

Table 2. Five Year Summary of Revenues, Expenditures, Employment and Output: Idaho State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	$75,490,986	$63,472,207	$48,276,287	$67,526,091	$65,757,944
Expenses	$20,161,083	$21,019,253	$22,685,271	$23,854,935	$23,354,297
Net Revenue	$55,329,903	$42,452,954	$25,591,016	$43,671,156	$42,403,647
Total Acres	2,459,750	2,446,335	2,449,255	2,448,425	2,448,010
Revenue/Acre	$30.00	$25.00	$19.00	$27.00	$26.00
Expense/Acre	$8.00	$8.00	$9.00	$9.00	$9.00
Net Revenue/Acre	$22.00	$17.00	$10.00	$17.00	$17.00
Total FTEs	264	264	264	259	260
Acres/FTE	9,317	9,266	9,277	9,453	9,415
Revenue/FTE	$285,950	$240,425	$182,864	$260,718	$252,915
Expense/FTE	$76,367	$79,618	$85,929	$92,103	$89,824
Net Revenue/FTE	$209,582	$160,806	$96,935	$168,614	$163,090
Grazing Revenue	$1,570,109	$1,524,003	1532652	$1,878,863	$1,439,217
Grazing Leases	1,222	1,207	1,201	1,175	1,165
Total Grazing Acres	1,778,280	1,783,813	1,786,774	1,773,249	1,777,758
Grazing Revenue/Acre Grazed	$0.88	$0.85	$0.85	$1.05	$0.81
Price per AUM			$5.12	$5.13	$5.25
Ag Land Lease Revenue	$280,005	$270,371	$329,298	$277,790	$399,696
No. of Agriculture Leases	77	75	73	71	67
Agriculture Acres Leased	20,264	19,699	18,998	18,329	18,350
Revenue/Leased Agricultural Acre	$13.81	$13.72	$17.33	$15.15	$21.78
Residential and Comm. Land Lease Revenue	$6,778,982	$6,554,179	$7,091,512	$6,899,615	$9,078,044
No. of Residential and Comm. Land Leases	747	695	683	672	684
Acres of Residential and Comm. Lease	16,993	17,116	16,435	16,450	16,696
Revenue/Residential and Comm. Acre	$398.92	$382.94	$431.48	$419.42	$543.72
Timber and Forest Products Revenue	$61,765,964	$50,425,822	$36,303,906	$54,106,083	$50,760,589
Acres of Forest Managed	971,613	971,678	977,429	977,005	977,529
Revenue/Acre of Forest Managed	$63.57	$51.89	$37.14	$55.37	$51.92

Table 2. Five Year Summary of Revenues, Expenditures, Employment and Output: Idaho State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Mineral, Oil and Gas Revenue	$4,661,921	$4,302,151	$2,814,511	$3,668,655	$3,379,678
No. of Mineral, Oil and Gas Leases	425	444	425	465	462
Acres of Mineral, Oil and Gas Leases	n/a	123,234	114,562	116,809	102,500
Revenue/Acre of Mineral, Oil and Gas Acre	n/a	$34.91	$24.56	$31.40	$32.97

Source: Idaho Department of Lands, *Annual Reports*, 2008 through 2012.

Table 3. Five Year Summary of Revenues, Expenditures, Employment and Output: New Mexico State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue	$546,194,908	$526,534,538	$420,276,400	$499,211,175	$652,347,910
Expense	$13,236,000	$13,184,100	$12,975,900	$12,948,500	$13,172,000
Net Revenue	$532,958,908	$513,350,438	$407,300,500	$486,262,675	$639,175,910
Total Surface Acres	8,924,620	8,975,644	8,976,373	8,973,721	8,966,456
Total Subsurface Acres	12,687,704	12,687,704	12,690,442	12,689,029	12,683,592
Revenue/Surface Acre	$61.20	$58.66	$46.82	$55.63	$72.75
Expense/Surface Acre	$1.48	$1.47	$1.45	$1.44	$1.47
Net Revenue/Surface Acre	$59.72	$57.19	$45.37	$54.19	$71.28
Revenue/Subsurface Acre	$43.05	$41.50	$33.11	$39.34	$51.43
Expense/Subsurface Acre	$1.04	$1.03	$1.02	$1.02	$1.04
Net Revenue/Subsurface Acre	$42.01	$40.47	$32.09	$38.32	$50.39
Total FTEs	155	155	153	151	151
Surface Acres/FTE	57,578	57,907	58,669	59,428	59,380
Revenue/FTE	$3,523,838	$3,396,997	$2,746,904	$3,306,034	$4,320,184
Expense/FTE	$85,393	$85,058	$84,809	$85,751	$84,105
Net Revenue/FTE	$3,438,444	$3,311,938	$2,662,094	$3,220,282	$4,232,953
Grazing and Cropland Lease Revenue	$7,082,751	$7,427,344	$5,216,784	$5,918,144	$5,429,688
No. of Grazing and Cropland Leases	3570	n/a	n/a	n/a	n/a
Total Grazing and Cropland Lease Acres	8,831,088	8,821,283	8,858,692	8,848,591	8,871,714
Grazing and Cropland Revenue/Leased Acre	$0.80	$0.84	$0.59	$0.67	$0.61
Price per AUM	$3.86	$4.07	$2.71	$3.19	$2.88
Oil & Gas Lease Revenue	$509,813,115	$407,328,404	$389,953,359	$467,663,089	$620,278,957
No. of Oil and Gas Leases	482	452	418	376	324
Acres of Oil and Gas Leases	131,573	131,334	125,180	101,721	100,777
Oil and Gas Revenue/Leased Acre	$3,874.75	$3,101.47	$3,115.14	$4,597.50	$6,154.97
Mineral Revenue	$6,992,516	$17,682,615	$11,104,227	$12,159,202	$14,546,914
No. of Mineral Leases	220	191	196	184	174
Acres of Mineral Leases	157,453	152,507	169,574	183,811	186,738

Table 3. Five Year Summary of Revenues, Expenditures, Employment and Output: New Mexico State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Mineral Revenue/Leased Acre	$44.41	$115.94	$65.48	$66.15	$77.90
Acres Sold	2,221	23	5	1,026	0
Land Sale Revenue[1]	$5,703,844	$1,486,000	$399,766	$1,506,864	$1,567,500
Commercial Land Lease Revenue	$10,202,036	$6,659,785	$4,695,741	$4,194,000	$6,981,637
No. of Commercial Land Leases	975	782	663	781	n/a
Acres of Commercial Land Leased	n/a	403,622	104,790	377,976	n/a
Commercial Land Lease Revenue/Leased Acre	n/a	$16.50	$54.35	$11.10	n/a

Source: New Mexico State Land Office, *Annual Reports*, 2008 through 2012 and correspondence from New Mexico State Land Office dated January 13, 2014.

Table 4. Five Year Summary of Revenues, Expenditures, Employment and Output: Utah State Trust Lands

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	$151,127,806	$138,258,000	$115,281,400	$121,730,413	$129,341,802
Operating Expenditures	$9,119,310	$9,537,848	$8,586,066	$9,005,048	$9,626,919
Capital Expenditures	$10,134,997	$13,603,453	$12,287,299	$1,845,689	$2,594,791
Total Expenditures	$19,254,307	$23,141,301	$20,873,365	$10,850,735	$12,221,710
Net Revenue	$131,873,499	$115,116,699	$94,408,035	$110,879,678	$117,120,092
Total Acres	3,411,514	3,407,235	3,404,635	3,402,250	3,402,250
Revenue/Acre	$44.29	$40.57	$33.86	$35.77	$38.01
Operating Expense/Acre	$2.67	$2.79	$2.52	$2.64	$2.82
Net Revenue/Acre	$38.65	$33.78	$27.72	$32.59	$34.42
Total FTEs	66	68	74	72	71
Acres/FTE	51,689	50,106	46,008	47,253	47,919
Revenue/FTE	$2,289,815	$2,033,205	$1,557,856	$1,690,700	$1,821,715
Operating Expense/FTE	$138,171	$140,262	$116,027	$125,070	$135,590
Net Revenue/FTE	$1,998,083	$1,692,892	$1,275,784	$1,539,995	$1,649,578
Surface Management Revenues	$10,134,011	$9,367,000	$7,466,700	$8,757,392	$8,641,248
Land Development Revenue	$25,027,069	$4,427,000	$3,900,900	$3,912,295	$4,459,300
Oil & Gas Lease Revenue	$76,570,137	$75,412,000	$56,269,400	$60,909,236	$59,129,505
Coal and Other Mineral Revenue	$81,908,639	$20,965,000	$21,116,200	$18,619,526	$16,784,842
Investment Revenue	$41,797,898	$32,546,300	$26,528,200	$29,528,681	$40,303,434
Land Sale Revenue	$24,104,025	$3,301,582	$3,059,599	$3,145,089	$3,537,238
Acres of Land Sold	6,835	6,573	1,153	2,385	309

Source: Utah School and Trust Land Administration, *Annual Reports*, 2008 through 2012 and email from Diane Lund, Utah State School and Trust Land Administration dated January 28, 2014.

Table 5. Observed High, Low and Five Year Average, 2008-2012 – Arizona State Trust Lands

	Observed High	Observed Low	5-Year Average
Revenues	$382,385,591	$155,429,218	$237,677,035
Expenses	$23,880,660	$13,455,900	$16,808,652
Net Revenue	$364,296,891	$131,548,558	$220,868,383
Total Acres Managed	9,302,255	9,252,495	$9,266,468
Revenue/Acre	$41.00	$16.78	$24.85
Expense/Acre	$2.58	$1.45	$1.81
Net Revenue/Acre	$39.00	$14.00	$23.68
Total FTEs	175	124	155
Acres/FTE	74,616	52,910	60,569
Revenue/FTE	$2,185,060	$1,253,461	$1,522,220
Expense/FTE	$155,069	$81,609	$109,192
Net Revenue/FTE	$2,210,321	$854,211	$1,413,027
Grazing Revenue	$2,559,337	$2,390,769	$2,445,860
No. Grazing Leases	1,247	1,224	1,241
Total Grazing Acres	8,408,033	8,368,575	8,393,381
Grazing Revenue/Acre Grazed	$3.00	$3.00	$3.00
Price per AUM	$2.41	$2.23	$2.30
Agriculture Lease Revenue	$4,944,449	$4,201,575	$4,487,694
No. of Agriculture Leases	387	347	366.8
Agriculture Acres Leased	170,487	156,575	162,715
Revenue/Leased Agricultural Acre	$30.00	$24.00	$27.00
Oil & Gas Lease Revenue	$1,614,618	$399,937	$925,624
No. of Oil & Gas Leases	519	204	369
Oil & Gas Acres Leased	1,004,792	330,833	681,742
Oil & Gas Lease Revenue/Leased Acre	$3.17	$0.70	$1.48
Mineral Lease Revenue	$2,800,008	$719,000	$1,516,929
No. of Mineral Leases	1,091	475	689
Mineral Acres Leased	526,017	179,273	299,761
Mineral Lease Revenue/Leased Acre	$14.00	$2.00	$5.40
Oil, Gas and Mineral Royalty Revenue	$39,756,402	$2,562,652	$18,900,395
Oil, Gas and Mineral Royalty Revenue/Acre Leased	$46.39	$2.16	$21.81
Acres Sold	9,600.44	918.36	3,898.76
Land Sale Revenue	$125,997,000	$19,151,000	$88,231,707
Land Sale Revenue/Acre Sold	$63,177	$12,487	$33,417

Source: Calculated from data in Table 1.

Table 6. Observed High, Low and Five Year Average; 2008-2012 – Idaho Trust Lands

	Observed High	Observed Low	5 Year Avg.
Revenues	$75,490,986	$48,276,287	$64,104,703
Expenses	$23,854,935	$20,161,083	$22,214,968
Net Revenue	$55,329,903	$25,591,016	$41,889,735
Total Acres	2,446,335	2,449,255	2,450,355
Revenue/Acre	$30.00	$19.00	$25.40
Expense/Acre	$9.00	$6.00	$8.60
Net Revenue/Acre	$22.00	$10.00	$16.60
Total FTEs	264	259	262
Acres/FTE	9,453	9,266	9,345.6
Revenue/FTE	$285,950	$182,864	$244,574
Expense/FTE	$92,103	$76,367	$84,768
Net Revenue/FTE	$209,582	$96,935	$159,805
Grazing Revenue	$1,878,863	$1,439,217	$1,588,969
Grazing Leases	1,222	1,165	1,194
Total Grazing Acres	1,786,774	1,773,249	1,77,9975
Grazing Revenue/Acre Grazed	$1.05	$0.81	$0.89
Price per AUM	$5.25	$5.12	$5.17
Ag Land Lease Revenue	$399,696.00	$270,371.00	$311,432
No. of Agriculture Leases	77	67	72.6
Agriculture Acres Leased	20,264	18,329	19,128
Revenue/Leased Agricultural Acre	$21.78	$13.72	$16
Residential and Comm. Land Lease Revenue	$9,078,044	$6,554,179	$7,280,466
No. of Residential and Comm. Land Leases	747	672	696
Acres of Residential and Comm. Lease	17,116	16,435	16,738
Revenue/Residential and Comm. Acre	$543.72	$382.94	$435.30
Timber and Forest Products Revenue	$61,765,964	$36,303,906	$50,672,473
Acres of Forest Managed	977,529	971,613	975,051
Revenue/Acre of Forest Managed	$63.57	$37.14	$52
Mineral, Oil and Gas Revenue	$4,661,921	$2,814,511	$3,765,383
No. of Mineral, Oil and Gas Leases	465	425	444
Acres of Mineral, Oil and Gas Leases	123,234	102,500	114,276
Revenue/Acre of Mineral, Oil and Gas Acre	$34.91	$24.56	$30.96

Source: Calculated from data in Table 2.

Table 7. Observed High, Low and Five Year Average; 2008-2012 - New Mexico Trust Lands

	Observed High	Observed Low	5-Year Average
Revenue	$652,347,910	$420,276,400	$528,912,986
Expense	$13,236,000	$12,948,500	$13,103,300
Net Revenue	$639,111,910	$407,300,500	$515,809,686
Total Surface Acres	8,976,373	8,924,620	8,963,363
Total Subsurface Acres	12690442	12,683,592	12,687,694
Revenue/Surface Acre	$72.75	$46.82	$59.01
Expense/Surface Acre	$1.48	$1.44	$1.46
Net Revenue/Surface Acre	$71.28	$45.37	$57.55
Revenue/Subsurface Acre	$51.43	$33.11	$41.68
Expense/Subsurface Acre	$1.04	$1.02	$1.03
Net Revenue/Subsurface Acre	$50.39	$32.09	$40.65
Total FTEs	155	151	153
Surface Acres/FTE	59,428	57,578	58,592
Revenue/FTE	$4,320,184	$2,746,904	$3,458,791
Expense/FTE	$85,751	$85,393	$85,023
Net Revenue/FTE	$4,311,461	$2,662,094	$3,373,142
Grazing and Cropland Lease Revenue	$7,427,344	$5,216,784	$6,214,942
Total Grazing and Cropland Lease Acres	8,871,714	8,821,283	8,846,273
Grazing and Cropland Revenue/Leased Acre	$0.84	$0.59	$0.70
Price per AUM	$4.07	$2.71	$3.34
Oil & Gas Lease Revenue	$620,278,957	$389,953,359	$479,007,385
No. of Oil and Gas Leases	482	324	410
Acres of Oil and Gas Leases	131,573	100,777	118,117
Oil and Gas Revenue/Leased Acre	$6,154.97	$3,101.47	$4,168.77
Mineral Revenue	$17,682,615	$6,992,516	$12,497,095
No. of Mineral Leases	220	174	193
Acres of Mineral Leases	186,738	152,507	170,116
Mineral Revenue/Leased Acre	$115.94	$44.41	$73.98
Acres Sold	2,221	0	665
Land Sale Revenue	$5,703,844	$399,766	$2,132,795
Commercial Land Lease Revenue	$10,202,036	$4,194,000	$6,546,640
No. of Commercial Land Leases	975	663	800[a]
Acres of Commercial Land Leased	403,622	104,790	295,463[b]
Commercial Land Lease Revenue/Leased Acre	$54.35	$11.10	$27.31[b]

a/ Four year average.
b/ Three year average.
Source: Calculated from data in Table 3.

Table 8. Observed High, Low and Five Year Average; 2008-2012 – Utah Trust Lands

	Observed High	Observed Low	5-Year Average
Revenues	$151,127,806	$115,281,400	$131,147,884
Operating Expenditures	$9,626,919	$8,586,066	$9,175,038
Capital Expenditures	$13,603,453	$1,845,689	$8,093,246
Total Expenditures	$23,141,301	$10,850,735	$17,268,284
Net Revenue	$131,873,499	$94,408,035	$113,879,601
Total Acres	3,411,514	3,402,250	3,405,577
Revenue/Acre	$44.29	$33.86	$38.50
Operating Expense/Acre	$2.82	$2.52	$2.69
Net Revenue/Acre	$38.65	$27.72	$33.43
Total FTEs	74	66	70
Acres/FTE	51,689	46,008	48,595
Revenue/FTE	$2,289,815	$1,557,856	$1,878,658
Operating Expense/FTE	$140,262	$116,027	$131,024
Net Revenue/FTE	$1,998,083	$1,275,784	$1,631,266
Surface Management Revenues	$10,134,011	$7,466,700	$8,873,270
Land Development Revenue	$25,027,069	$3,900,900	$8,345,313
Oil & Gas Lease Revenue	$76,570,137	$56,269,400	$65,658,056
Coal and Other Mineral Revenue	$81,908,639	$16,784,842	$31,878,841
Investment Revenue	$41,797,898	$26,528,200	$34,140,903
Land Sale Revenue	$24,104,025	$3,059,599	$7,429,507
Annual Acres of Land Sold	6,835	309	3,451

Source: Calculated from data in Table 5.

Table 9. Five Year Average Revenues, Expenditures and Employment In Selected States

	Arizona	Idaho	New Mexico	Utah
Revenues	$237,677,035	$64,104,703	$528,912,986	$131,147,884
Expenses	$16,808,652	$22,214,968	$13,103,300	$9,175,038
Net Revenue	$220,868,383	$41,889,735	$518,809,686	$113,879,601
Total Acres Managed	9,266,468	2,450,355	8,963,363	3,405,577
Revenue/Acre	$24.85	$25.40	$59.01	$38.50
Expense/Acre	$1.81	$8.60	$1.46	$2.69
Net Revenue/Acre	$23.68	$16.60	$57.55	$33.43
Total FTEs	155	262	153	70
Acres/FTE	60,569	9,346	58,592	48,595
Revenue/FTE	$1,522,220	$244,574	$3,458,791	$1,878,658
Operating Expense/FTE	$109,192	$84,768	$85,023	$131,024
Net Revenue/FTE	$1,413,027	$159,805	$3,373,142	$1,631,266

Source: Calculated from Tables 1 through 5.

Table 10. Five-Year Multi-State Observed High, Observed Low and Average for State Trust Lands in Arizona, Idaho, New Mexico and Utah; 2008-2012

	Observed High	Observed Low	Average
Revenues	$652,347,910	$48,276,287	$240,460,652
Expenses	$23,880,660	$8,586,066	$15,325,490
Net Revenue	$639,111,910	$25,591,016	$223,111,851
Total Acres Managed	9,302,255	2,449,255	6,021,441
Revenue/Acre	$72.40	$16.78	$36.79
Expense/Acre	$9.00	$1.45	$3.73
Net Revenue/Acre	$72.26	$10.00	$28.59
Total FTEs	264	66	160
Acres/FTE	74,616	9,266	44,275
Revenue/FTE	$4,320,184	$182,864	$1,776,061
Expense/FTE	$155,069	$76,367	$102,502
Net Revenue/FTE	$4,311,461	$96,935	$1,644,310

Source: Data in Tables 1 through 5.

As shown in Table 10, estimated average revenue per acre during the past five years across the four states considered was $36.79. This average compares to observed high and low revenues of $72.40 and $16.78 per acre, respectively. State trust land management expenses in the four states averaged an estimated $3.73 per acre during the period 2008 through 2012. During this same time frame, the observed high and low expense levels per acre were $9.00 and $1.45, respectively (see Table 10). The ranges of costs, revenues, employment and output presented in Tables 1 through 10 suggest bounding assumptions within which estimates of fiscal outcome associated with an expanded state land base in Nevada might be developed.

Estimated Costs and Revenues for an Expanded Nevada State Land Base

A primary objective of this study is the development of estimates of the potential costs and revenues which might attend Congressional transfer to, and management by, the State of Nevada of an expanded state land base comprising an assumed 7.2 million acres (as compared to the total current acreage of State-owned lands of approximately 196,000 acres, of which 2,900 are state trust lands). Information regarding the prospective fiscal viability of expanded state land ownership is essential to decision-makers who might now or may in the future deliberate upon the merits of pursuing a congressional transfer of federally administered land to Nevada.

The foregoing analysis of state land management agency costs and revenues for Arizona, Idaho, New Mexico and Utah provides a set of bounds within which assumptions about fiscal outcome associated with an expanded state land base in Nevada can be made. With regard to revenue potential, the state of Arizona is likely most analogous to Nevada due to the limited timber, coal

and potentially limited oil and gas resources within Nevada (key revenue sources for Idaho, Utah and New Mexico, respectively). As was shown in Table 1, Arizona has also depended on the generation of significant revenues from the sale of limited acres of high-value state trust lands in the vicinity of the state's metropolitan areas (a situation which might be similar for Nevada and its Las Vegas and Reno/Sparks urban areas). On the expense side of the equation, the experience of Arizona may again be most comparable to Nevada given similar resource characteristics.

Table 11 provides a summary of estimated fiscal and operational outcomes associated with the assumed ownership by the State of Nevada of 7.2 million acres of public land now managed by the BLM (i.e. a Phase I level of acreage to be transferred). In addition, a scenario is considered wherein all BLM administered land in Nevada excepting wilderness, National Conservation Areas, National Monuments and other congressionally designated areas were transferred to Nevada totaling an estimated 43,000,000 of the approximate 48,000,000 acres of BLM administered land in Nevada.

Table 11. Estimated Net Revenue from Expanded State Land Ownership in Nevada Using Four State Net Revenue Models

	Net Revenue Per Acre Value Applied[1]	Total Net Revenue Assuming 7.2 Million Acres of BLM Land Transferred to Nevada	Total Net Revenue Assuming 45,000,000 Acres of BLM Land Transferred to Nevada[2]
Four State Average Net Revenue/Acre Model	$28.59	$205,848,000	$1,286,550,000
Four State Low Observed Net Revenue and High Observed Expense/Acre Model	$7.78	$56,016,000	$350,100,000

1/ Four State Average from Table 10; Four State Low Observed Net Revenue and High Observed Expense is the difference between Low Observed Revenue of $16.78 per acre and High Observed Expense of $9.00 per acre as shown in Table 10.
2/ BLM administers approximately 48 million acres in Nevada, assumed 45 million acre transfer excludes estimated acreages for designated wilderness, National Conservation Areas, National Monuments and other Congressionally designated areas.

As shown in Table 11, when the observed five-year average cost and revenue structure for each of the four states considered is applied to the assumed increased state land base in Nevada of 7.2 million acres, annual net revenues ranging from $56,016,000 to $205,848,000 are indicated. Were the State of Nevada to receive title to 45,000,000 acres of land now administered by the BLM, the experience of other states in managing trust land suggests that net revenues ranging between $350,100,000 and $1,286,350,000 may be attainable. These estimates assume that the State of Nevada would manage its expanded land base as trust lands for sustainable net revenue maximization similar to management of state trust lands in Arizona, Idaho, New Mexico and Utah. It is important to note that the BLM's land management mandate is not currently focused at net revenue maximization.

Table 12 suggests that 96 to 162 FTEs might be required to provide management capabilities for an expanded 7.2 million acre state land base in Nevada. Economies of scale would suggest that as the total land area to be managed increases, the number of acres per FTE to be managed would also increase. As with revenues and expenses, the actual number of FTEs required for administration of an expanded state land base in Nevada would be largely dependent upon land management policies adopted by the state.

Table 12. Estimated Full Time Equivalents (FTEs) Required to Manage Expanded State Land Ownership in Nevada Using Four State FTE Models

	Acres/FTE Value Applied[1]	Total FTEs Required Assuming 7.2 Million Acres of BLM Land Transferred to Nevada	Total FTEs Required Assuming 45 Million Acres of BLM Land Transferred to Nevada[1]
Four State Average Acres/ FTE Model	44,275	162	1,016
Four State High Observed Acres/FTE Model	74,616	96	603

1/ From Table 10.

As noted previously, several factors may serve to reduce the actual potential level of net profits or revenue which may be derived from an expanded state land base. Perhaps most important will be the natural resource characteristics of the lands themselves. As has been discussed, lands administered by the State of Idaho contain extensive commercial forests which contribute to high revenues per acre. New Mexico state lands include significant oil and gas resources which have fostered high revenue generation per acre. Likewise, Utah state lands contain fossil energy and mineral resources. While an expanded state land base in Nevada would likely contain mineralized areas and potential for fossil fuel production, the likelihood that such resources would be located within most of the 7.2 million acres potentially transferred during a first phase or more so across the nearly 48 million acres now administered by BLM is not great. As a consequence, a significant (yet admittedly unknown) portion of the public lands in Nevada would not have the potential to generate net revenues of the magnitude observed for other states considered in this study.

Distribution of State Trust Land Management Net Revenues

As noted previously, the state lands considered for Arizona, Idaho, New Mexico and Utah in this report are managed as trust lands to achieve sustained maximum revenues with net revenues deposited into permanent trust funds established in each state. Each state then annually distributes net revenues and on a discretionary basis, permanent fund investment income, to various state entity beneficiaries. Tables 13 through 16 show the various beneficiaries for each state and the amounts of net revenue and trust fund investment income distributed during 2012.

As shown in Tables 13 through 16, public K-12 education is the primary beneficiary of management of state trust lands in Arizona, Idaho, New Mexico and Utah providing 2012 funding to public primary and secondary education ranging from $24 million in Idaho to $544 million in New Mexico.

Table 13. Distribution of State Trust Land Net Revenue and Investment Income by Beneficiary - Arizona; 2012

	Trust Acres	Total Receipts ($)
BENEFICIARIES		
Common Schools (K—12)‡	8,088,270.54	272,560,356.05
Normal Schools Grant	174,797.56	309,776.02
Agricultural & Mechanical Colleges	124,943.87	367,276.93
Military Institutes Grant	80,168.11	61,108.41
School of Mines Grant	123,254.09	555,363.13
University Land Code	137,906.42	1,874,540.22
University of Arizona (Act of 2/18/1881)	51,881.13	1,749,257.72
School for the Deaf & Blind	82,559.65	399,040.46
Legislative, Executive & Judicial Buildings	64,257.10	726,847.71
State Hospital Grant	71,248.39	851,716.17
Miners' Hospital Grant†	95,383.13	5,391,036.87
State Charitable, Penal, and Reformatory	77,228.58	6,634,465.60
Penitentiary Grant	76,110.72	1,475,846.60

† Miners' Hospital and Miners' Hospital 1929 combined
‡ Including County Bonds

Source: Arizona State Land Department, *Annual Report, 2012.*

Table 14. Distribution of State Trust Land Net Revenue and Investment Income by Beneficiary - Idaho; 2012

Beneficiaries	**Total Receipts ($)**
Agricultural College	1,646,080
Capitol Permanent	(351,963)
Charitable Inst.	4,572,497
Normal School	627,308
Penitentiary Inc.	2,350,053
Public Schools	24,570,082
School of Science	2,470,613
State Hospital South	3,524,851
University of Idaho	2,985,127

Source: Idaho Department of Lands, *Annual Report*, 2012.

Table 15. Distribution of State Trust Land Net Revenue and Investment Income by Beneficiary – New Mexico; 2012

Beneficiaries	Total Receipts ($)
Common Schools	544,244,931
University of New Mexico	9,482,298
Saline Lands	81,470
New Mexico State University	2,955,919
Western New Mexico University	263,391
NM Highlands University	263,223
Northern New Mexico School	206,686
Eastern New Mexico University	630,158
NM Institute of Mining and Technology	1,558,074
NM Military Institute	23,094,438
Children, Youth and Families Dept.	73,496
Miner's Hospital	7,401,699
Behavioral Health Institute	2,986,671
State Penitentiary	11,416,378
School for the Deaf	11,635,495
School for the Visually Impaired	11,613,393
Charitable, Penal and Reform	5,193,081
Water Reservoirs	7,278,813
Rio Grande Improvements	1,557,121
Public Buildings	6,495,934
Carrie Tingley Hospital	23,669

Source: New Mexico State Land Office, *Annual Report*, 2012.

Table 16. Distribution of State Trust Land Net Revenue and Investment Income by Beneficiary – Utah; FY 2012

Beneficiaries	Total Receipts ($)
Public Schools (K-12)	29,263,119
Miners' Hospital	1,700,000
University of Utah	1,356,385
Reservoirs	425,415
School for the Blind	263,391
School for the Deaf	74,314
State Hospital	476,199
Utah State University	312,058
Normal Schools	320,868
School of Mines	352,878
Youth Development Center	213,606
Public Buildings	5,702

Source: Utah School and Trust Land Administration, *Annual Report*, 2012.

BLM Land Management Cost and Revenue Trends

This section of the report provides an overview of the revenues, expenditures, employment and output associated with BLM land management activities within the states of Nevada, Arizona, Idaho, New Mexico, and Utah. This information is included to afford perspective on annual fiscal outcomes of existing BLM land management activities within the study area. Data for 2008 through 2012 was available for each of the five states included in this analysis. Tables 17 through 21 provide five-year summaries of cost, revenue, employment and output characteristics of BLM land management in each state. The tables reveal that BLM administers 2-3 times as much land in Nevada than does BLM in the other states considered. In Nevada, Arizona and Idaho, for each of five years between 2008 and 2012, expenses associated with BLM land management activities have exceeded revenues. BLM land management activities during this same five-year period in New Mexico and Utah have generated net revenue (revenues have exceeded expenses). The ability of BLM to generate net revenue is largely a function of the oil and gas resources in New Mexico and coal resources in Utah.

Within each of the states revenues from royalties, rents and bonus payments for projects on BLM-administered lands sent to the Department of Interior's Office of Natural Resources Revenue (ONRR) from oil, gas, coal and geothermal energy generation are a very significant component of total revenues generated exceeding non-ONRR revenue sources in Idaho, New Mexico and Utah and roughly equaling non-ONRR revenues sources in Nevada,. In Arizona non-ONRR revenue sources greatly exceed ONRR revenue for BLM. Within Nevada, oil and gas related ONRR revenues represent approximately 75 percent of total ONRR revenues from BLM-administered land. The current and prospective significance of the oil and gas industry to an expanded State of Nevada land base is demonstrated by the ONRR revenue data shown in Table 17. Land sales (primarily associated with the Southern Nevada Public Land Management Act) have contributed roughly one-third of non-ONRR land management revenues by BLM in Nevada. Rights-of-way rent are the second most significant non-ONRR revenue source for BLM Nevada. Combined, realty-related land management provided an estimated 70 to 80 percent of BLM Nevada non-ONRR revenues during the years 2008 through 2012. Recreation fees represent the third most important source of non-ONRR revenue for BLM in Nevada growing from $2.7 million in 2008 to $3.8 million in 2011 before falling in 2012 to $3.6 million. During the period 2008 through 2012, BLM Nevada collected more in recreation fees than any of the other four state BLM programs considered.

Tables 17 reveals that employment levels (FTEs) for BLM statewide in Nevada have risen from 697 in 2008 to 745 in 2012, an increase of nearly 7 percent. Tables 18 through 21 suggest that BLM statewide employment levels (FTEs) in the states of Arizona, Idaho, New Mexico and Utah have stayed fairly constant during the same five-year period.

Table 17. BLM Nevada Five Year Revenues, Expenditures and Employment, 2008 - 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5-Yr. Avg.
Revenue Non-ONRR	$47,456,580	$27,170,048	$26,463,030	$23,882,418	$25,114,972	$30,017,409
ONRR Revenue	$30,717,807	$39,683,895	$26,151,969	$17,281,366	$20,891,112	$26,945,229
Total Revenue	$78,174,387	$66,853,943	$52,614,999	$41,163,784	$46,006,084	$56,962,639
Expense	n/a	$97,657,000	$109,657,000	$108,379,000	$108,142,000	$84,767,000
Net Revenue	n/a	-$30,803,057	-$57,042,001	-$67,215,216	-$62,135,916	-$31,118,015
Total Acres Managed	47,808,114	47,806,738	47,805,923	47,7940,96	47,783,458	47,799,665
Revenue Per Acre Managed	$1.64	$1.40	$1.10	$0.86	$0.96	$1.19
Expense Per Acre Managed	n/a	$2.04	$2.29	$2.27	$2.26	$1.77
Net Revenue Per Acre Managed	n/a	-$0.64	-$1.19	-$1.40	-$1.30	-$0.91
Total FTEs	697	701	755	786	790	745
Acres Managed Per FTE	68,591	68,198	63,319	60,806	60,485	64,279
Grazing Revenue	$1,736,900	$1,718,401	$1,713,409	$1,937,754	$1,886,517	$1,798,596
No. of Grazing Authorizations	516	555	536	570	555	546
AUMs Authorized	1,133,094	1,138,147	1,138,171	1,333,346	1,291,610	1,206,873
Price per AUM	$1.35	$1.35	$1.35	$1.35	$1.35	$1.35
Timber Revenue	$22,405	$30,665	$29,078	$26,581	$27,267	$27,199
Oil, Gas and Geothermal Lease Revenue (BLM)	$1,245,616	$167,828	$642,010	-$174,777	$1,039,054	$583,946
Sale of Land and Minerals (SNPLMA sales Included)	$35,120,737	$14,520,137	$14,795,398	$9,702,808	$10,649,922	$16,957,800
Fees and Commissions	$3,560	$2,577	$2,998	$2,314	$1,302	$2,550
Rights of Way Rent	$5,398,217	$7,030,419	$6,322,440	$7,461,663	$7,742,420	$6,791,031
Rent of Land	$1,155,870	$1,165,915	$213,145	$1,034,525	$118,502	$737,591
Recreation Fees	$2,743,664	$2,530,780	$2,741,286	$3,874,883	$3,641,559	$3,106,434
Other Revenue	$29,611	$3,326	$3,266	$16,667	$8,429	$12,259

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense and FTE data from BLM Nevada State Office, correspondence dated February 18, 2014 from Robert M. Scruggs, Deputy State Director, Support Services, response to FOIA request; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012.

Table 18. BLM Arizona Five Year Revenues, Expenditures and Employment, 2008 - 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Non-ONRR	$12,237,492	$5,943,920	$7,446,747	$8,635,913	$14,023,459
ONRR Revenue	$539,904	$514,999	$55,204	$29,773	$11,650
Total Revenue	$12,777,396	$6,458,919	$7,501,951	$8,665,686	$14,035,109
Expense	n/a	$66,952,000	$71,817,000	$76,509,000	$69,458,000
Net Revenue	n/a	-$60,493,081	-$64,315,049	-$67,843,314	-$55,422,891
Total Acres Managed	12,201,794	12,203,334	12,203,495	12,202,750	12,204,355
Revenue Per Acre Managed	$1.05	$0.53	$0.61	$0.71	$1.15
Expense Per Acre Managed	n/a	$5.49	$5.88	$6.27	$5.69
Net Revenue Per Acre Managed	n/a	-$4.96	-$5.27	-$5.56	-$4.54
Total FTEs	465	475	471	435	430
Acres Managed Per FTE	26,240	25,691	25,910	28,052	28,382
Grazing Revenue	$620,815	$596,636	$546,581	$590,660	$504,471
No. of Grazing Leases and Permits	763	764	766	470	767
AUMs Authorized	423,071	455,213	415,748	402,123	387,705
Price per AUM	$1.35	$1.35	$1.35	$1.35	$1.35
Timber Revenue	$90	$3,650	$3,625	$30	$75
Oil, Gas and Geothermal Lease Revenue (BLM)	$531,250	$254,724	$1,428,283	$164,145	$262,632
Sale of Land and Minerals	$7,554,750	$1,402,035	$1,233,364	$1,148,015	$948,335
Fees and Commissions	$126,759	$1,180	$816	$2,193	$931
Rights of Way Rent	$1,679,194	$2,094,864	$2,508,901	$4,883,467	$10,596,072
Rent of Land	$306,377	$232,161	$225,934	$280,804	$245,588
Recreation Fees	$1,411,748	$1,356,001	$1,498,326	$1,558,148	$1,464,512
Other Revenue	$6,509	$2,669	$917	$8,451	$843

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense data provided via email dated February 19, 2014 from John Ruhs, Acting Eastern States Director, Bureau of Land Management; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012.

Table 19. BLM Idaho Five Year Revenues, Expenditures and Employment, 2008 - 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Non-ONRR	$5,979,153	$6,763,257	$6,608,533	$5,501,134	$4,541,638
ONRR Revenue	$2,521,701	$3,463,524	$8,290,725	$9,486,028	$10,063,299
Total Revenue	$8,500,854	$10,226,781	$14,899,258	$14,987,162	$14,604,937
Expense	n/a	$102,854,000	$105,194,000	$114,740,000	$122,919,000
Net Revenue	n/a	-$92,627,219	-$90,294,742	-$99,752,838	-$108,314,063
Total Acres Managed	11,601,875	11,609,521	11,610,111	11,611,720	11,612,234
Revenue Per Acre Managed	$0.73	$0.88	$1.28	$1.29	$1.26
Expense Per Acre Managed	n/a	-$8.86	-$9.06	-$9.88	-$10.59
Net Revenue Per Acre Managed	n/a	-$7.98	-$7.78	-$8.59	-$9.33
Total FTEs	687	714	717	714	718
Acres Managed Per FTE	16,888	16,259	16,193	16,263	16,173
Grazing Revenue	$1,334,290	$1,331,840	$1,377,725	$1,427,946	$1,413,604
No. of Grazing Authorizations	1,579	1,577	1,629	1,660	1,655
AUMs Authorized	946,862	960,827	983,615	1,011,026	1,007,031
Price per AUM	$1.35	$1.35	$1.35	$1.35	$1.35
Timber Revenue	$559,575	$342,883	$90,769	$669,386	-$42,598
Oil, Gas and Geothermal Lease Revenue (BLM)	$44,949	$369,119	$42,856	$48,153	$76,028
Sale of Land and Minerals	$2,180,304	$2,399,643	$3,001,075	$437,872	$231,337
Fees and Commissions	$24,463	$7,672	$2,521	$25,619	$13,274
Rights of Way Rent	$1,040,869	$1,447,614	$1,300,388	$1,943,122	$1,948,833
Rent of Land	$43,035	$45,359	$37,426	$31,357	$37,996
Recreation Fees	$719,090	$813,772	$746,334	$905,063	$786,507
Other Revenue	$32,578	$4,356	$9,439	$12,616	$76,657

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense data provided via email dated February 19, 2014 from John Ruhs, Acting Eastern States Director, Bureau of Land Management; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012.

Table 20. BLM New Mexico Five Year Revenues, Expenditures and Employment, 2008 - 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Non-ONRR	$10,795,790	$9,286,446	$10,825,377	$11,366,909	$12,624,358
ONRR Revenue	$1,327,527,005	$673,677,762	$801,524,111	$895,771,811	$959,530,589
Total Revenue	$1,328,622,795	$682,964,208	$812,349,488	$907,138,720	$972,154,947
Expense	n/a	$100,056,000	$108,569,000	$104,851,000	$104,245,000
Net Revenue	n/a	$582,908,208	$703,780,488	$802,287,720	$867,909,947
Total Acres Managed	13,367,920	13,476,982	13,484,405	13,484,412	13,465,922
Revenue Per Acre Managed	$99.39	$50.68	$60.24	$67.27	$72.19
Expense Per Acre Managed	n/a	$7.42	$8.05	$7.76	$7.74
Net Revenue Per Acre Managed	n/a	$43.26	$52.19	$59.51	$64.45
Total FTEs	750	793	771	763	769
Acres Managed Per FTE	17,824	16,995	17,490	17,673	15,511
Grazing Revenue	$1,995,324	$2,049,322	$2,029,180	$2,064,872	$1,959,097
No. of Grazing Authorizations	2,106	2,083	1,629	2,164	2,142
AUMs Authorized	1,455,019	1,484,129	1,488,824	1,506,494	1,433,721
Price per AUM	$1.35	$1.35	$1.35	$1.35	$1.35
Timber Revenue	$24,811	$34,761	$38,384	$53,824	$48,137
Oil, Gas and Geothermal Lease Revenue (BLM)	$1,501,705	$2,691,528	$3,390,761	$2,640,656	$3,109,833
Sale of Land and Minerals	$4,839,435	$1,758,865	$2,612,474	$3,815,706	$4,297,665
Fees and Commissions	$2,532	$1,946	$1,550	$2,070	$3,099
Rights of Way Rent	$1,984,373	$2,288,568	$2,306,141	$2,343,059	$2,738,231
Rent of Land	$12,449	$10,036	$13,806	$20,831	$6,612
Recreation Fees	$448,602	$451,071	$431,980	$422,656	$461,802
Other Revenue	-$13,441	$349	$1,101	$3,235	-$118

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense data provided via email dated February 19, 2014 from John Ruhs, Acting Eastern States Director, Bureau of Land Management; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012.

Table 21. BLM Utah Five Year Revenues, Expenditures and Employment, 2008 - 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Non-ONRR	$5,872,803	$7,241,268	$7,452,605	$10,041,066	$8,615,382
ONRR Revenue	$377,642,287	$237,004,752	$299,171,102	$304,348,687	$330,496,620
Total Revenue	$383,515,090	$244,246,020	$306,623,707	$314,389,753	$339,112,002
Expense	n/a	$92,588,000	$98,471,000	$104,126,000	$103,170,000
Net Revenue	n/a	$151,658,020	$208,152,707	$210,263,753	$235,942,002
Total Acres Managed	22,857,728	22,856,155	22,854,937	22,845,632	22,854,555
Revenue Per Acre Managed	$16.79	$10.69	$13.42	$13.76	$14.84
Expense Per Acre Managed	n/a	$4.05	$4.31	$4.56	$4.51
Net Revenue Per Acre Managed	n/a	$6.64	$9.11	$9.20	$10.33
Total FTEs	712	729	712	722	713
Acres Managed Per FTE	32,104	31,353	32,100	31,642	32,054
Grazing Revenue	$1,005,339	$1,008,107	$1,059,476	$1,060,156	$1,139,825
No. of Grazing Authorizations	1,230	1,232	1,185	1,218	1,252
AUMs Authorized	739,686	740,968	763,176	813,334	794,788
Price per AUM	$1.35	$1.35	$1.35	$1.35	$1.35
Timber Revenue	$5,250	$4,909	$14,423	$15,714	$12,701
Oil, Gas and Geothermal Lease Revenue (BLM)	$334,162	$713,709	$470,900	$1,392,958	$743,399
Sale of Land and Minerals	$605,657	$667,956	$665,595	$1,234,071	$690,381
Fees and Commissions	$2,441	$3,764	$2,213	$1,975	$2,563
Rights of Way Rent	$1,061,757	$1,873,063	$2,485,579	$3,413,346	$2,933,515
Rent of Land	$17,171	$17,674	$15,571	$25,578	$20,263
Recreation Fees	$2,835,216	$2,948,746	$2,738,602	$2,863,376	$3,061,573
Other Revenue	$5,810	$3,340	$246	$33,892	$11,162

Sources: ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012; Expense data provided via email dated February 19, 2014 from John Ruhs, Acting Eastern States Director, Bureau of Land Management; all other data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012.

Table 22. BLM NV, DOI ONRR and PILT Revenue Distribution to Nevada State and Local Governments

Revenue Source	2008	2009	2010	2011	2012
BLM NV Revenue Dist. to NV State/Local Govt.	$5,447,044	$2,136,862	$2,560,635	$1,465,948	$1,725,963
DOI ONRR Revenue Dist. to NV State/Local Govt.	$17,622,148	$28,744,481	$17,059,292	$9,794,788	$11,785,382
PILT Payment to Nevada	$22,610,017	$23,269,350	$22,753,204	$22,942,298	$23,917,845
Total Payments BLM NV/ONRR/PILT Revenue Dist. To NV	$45,679,209	$54,150,693	$42,373,131	$34,203,034	$37,429,190
Total Acres Managed by BLM in Nevada	47,808,114	47,806,738	47,805,923	47,794,096	47,783,458
Total Revenue Dist. to NV State/Local Govt./Acre Managed	$0.96	$1.13	$0.87	$0.72	$0.78

Sources: BLM NV Revenue, PILT and Acres Managed data from U.S. Department of Interior, Bureau of Land Management, *Public Land Statistics*, annual reports 2008 – 2012; ONRR Revenue date from Department of Interior, Office of Natural Resources Revenue, *Annual Revenue Reports*, 2008-2012.

Federal Government Distribution of Public Land Management Related Revenues to State and Local Government in Nevada

As shown in Table 22, the BLM, the Department of Interior Office of Natural Resources Revenue (ONRR) and the Congress (through Payments-in-Lieu-of-Taxes or PILT) annually distribute public land management related funding to the State of Nevada and its local governments. During the period 2008 through 2012 these payments have trended downward from $45.6 million in 2008 to $37.4 million in 2012. During this same period, these payments have ranged from a low of $0.72 per acre to a high of $1.13 per acre. This contrasts with potential earnings per acre for an expanded state land base in Nevada ranging from $7.78 per acre to $28.59 per acre

CONCLUSIONS

The foregoing analysis of state and federal land management agency revenue, cost, employment and output characteristics is useful in understanding prospective fiscal implications for an expanded state land base in Nevada. Although limited to four state land management entities and five BLM programs, the information contained in this report provides clear evidence of the potential for state land management activities to generate revenues in excess of expenses. Several caveats must be considered, however, when seeking to estimate prospective revenues and costs for an expanded state land base in Nevada.

First is the difference in physiographic characteristics between other states considered and those in Nevada. These differences concern the availability of non-renewable and renewable resources. As shown in Tables 5 through 8, timber, oil and gas, and minerals compromise the most significant contributors to state land revenues among states considered in this study. Nevada does not have any appreciable commercial forest resources. While the BLM in Nevada derives significant revenue from oil and gas resources in the state, the location of those resources under land which might be selected by the State of Nevada for transfer is uncertain. Mineral potential has been demonstrated by extensive mining activities within Nevada. The potential for additional mining development is considered good, but highly dependent upon market forces. For Nevada to derive the levels of net revenues per acre experienced in other states and estimated within this report for the State, extensive oil and gas and/or expanded mining activities would likely be necessary. It is important to note that Nevada derived just over $128 million in net proceeds mining taxes during 2012[9]. If mining in the state were to be expanded significantly, owing to the availability of an expanded state trust land base, mining tax revenues might be significantly increased.

Second, the analysis of cost and revenue data included within this report does not explicitly consider differences in state land management policies between states and BLM. Results described within this report suggest that management policies do differ between states and between states and BLM. Table 5 reveals the significance of land sales as a revenue generating source, particularly in Arizona. This is comparable to the importance of land sale revenue to BLM in Nevada. During the past few years land sales and other realty related land use

[9] Nevada Department of Taxation, 2012-2013 Net Proceeds of Minerals Bulletin, Division of Local Government Services, June 24, 2013.

authorizations have accounted for an estimated 70 to 80 percent of BLM non-ONRR revenues in Nevada (see Table 17). If total revenues per acre of the magnitude estimated in this report are to be achieved through management of an expanded Nevada state land base, sales by the State of transferred lands previously identified by BLM for disposal will be required to bolster revenue generation potential and provide critical early sources of funding for management of an expanded state land base.

Coupled with this issue is the fact that these analyses do not account for trends in natural resource condition. States may be generating excess revenues at the expense of ecosystem condition. As a consequence the ability to sustain levels of revenue generation in the future may be challenged. Alternatively, states may be managing their natural resources in a manner consistent with sustained yield so as to fulfill their mandate to maximize net revenue on a sustained basis. Additional research into state land management policies and practices which have produced reported revenues is required.

What then do the analyses of state and BLM land management costs and revenues suggest with regard to the questions posed at the beginning of this report? Following is a brief answer to each of the previously stated questions.

1) To what degree have other states been able to generate net revenues as a result of land management activities? **In each of the four states considered, during the period of 2008 through 2012, annual net revenues ranging from $10.00 to $72.26 per acre have been achieved (see Table 10).**

2) What levels of revenue and expenditure have other states historically incurred in the management of lands? **During the period of 2008 through 2012, average annual revenues across the four states considered in this analysis have ranged from $16.78 to $72.40 per acre. Expenditures have ranges from $1.45 to $9.00 per acre (see Table 10).**

3) What have been the major revenue sources from land management activities of other states? **In recent years primary revenue sources from state land management activities include oil and gas, timber, land sales, land rent and mining.**

4) In the event the State of Nevada were successful in securing Congressional transfer of BLM administered land to the State, what is the potential for related land management revenues to exceed expenditures? **Based upon the experience of other states, it is very possible that revenues would exceed expenditures for administration of an expanded state land base in Nevada producing net revenues ranging between $7.78 to $28.59 per acre.**

5) How have other states distributed net revenues generated from state trust land management activities? **Net revenues and investment income are distributed by state trust land agencies in Arizona, Idaho, New Mexico and Utah to a designated set of beneficiaries with public K-12 education receiving the greatest amounts of funding.**

6) To what degree has the Bureau of Land Management been able to generate net revenues as a result of land management activities within selected states? **Of the BLM statewide land**

management programs assessed in this report, only the New Mexico and Utah BLM programs generated net revenue. Statewide, BLM land management activities in Arizona, Idaho and Nevada each expended more funds than revenue generated.

7) To what extent does the federal government currently distribute public land management related revenues to the State of Nevada and her local governments? **During the years 2008 through 2012 the federal government has distributed land management related revenue to Nevada state and local governments ranging from $45.6 million in 2008 to $37.4 million in 2012 or a low of $0.72 per acre to a high of $1.13 per acre managed by BLM in Nevada.**

8) What have been the major revenue sources from land management activities of the Bureau of Land Management? **Among the most significant revenue sources for BLM observed during the period of 2008 through 2012 were land sales, land rent, recreation fees, grazing, and royalties from oil, gas and minerals.**

APPENDIX G

Section 7.3 *Fire Suppression* of Alternatives for Management of
An Expanded State Land Base in Nevada
A 1996 Study Prepared For
The Board of Eureka County Commissioners

Excerpt from *Alternatives for Management Of an Expanded State Land Base in Nevada*[10]

7.2 Fire Suppression - Discussion about transfer of public land in Nevada to state and/or county administration eventually includes concern over the extent to which fire suppression costs might render local management infeasible. Table 9 provides data descriptive of BLM fire management activity in Nevada during the period of 1990 through 1993. During this period, BLM fought 1,360 fires on land administered by the Bureau. Another 391 fires were responded to on lands not managed by BLM. The four year period saw 105,452 acres of BLM managed land burned in wildland fires. BLM responded to fires on non-agency administered lands which consumed another 45,438 acres. During the four year period, the average size of wildland fires on BLM administered lands was 78 acres. The average size of fires responded to by BLM on non-Bureau managed lands during this period was 116 acres.

Table 9 also provides statistics regarding the pre-suppression cost and cost per acre for fires responded to by BLM in Nevada. During the four-year period of 1990 to 1993, pre-suppression costs ranged from a low of $3.1 million to nearly $5.5 million in 1993. The average pre-suppression cost per fire ranged from $7,062 to $15,567 in 1993. It is important to note that fire pre-suppression costs do not include all costs to prevent and fight wildland fires on BLM lands in Nevada. Information provided by the Acting Fire Management Officer for the BLM in Nevada indicates that total suppression costs for fires by BLM in Nevada during the years 1992, 1993, and 1994 were $5,063,647, $2,197,248, and $10,612,984, respectively.[11] Collectively then, it appears as though total BLM fire pre-suppression and suppression costs have ranged between $8 and $10 million during the past few years. This would suggest total fire costs on the order of $212 per acre (at average of 37,750 acres burned per year at a cost of $8 million) to $264 per acre (at average of 37,750 acres burned per year at a cost of $10 million). It is important to note that collection of complete and consistent fire cost information from BLM has been difficult.

To understand how state management of public lands in Nevada might bear upon fire costs, a review of Nevada and other western state wildland fire management activities was undertaken. Data for

[10] Intertech Services Corporation, *Alternatives For Management Of An Expanded State Land Base In Nevada*, prepared for Board of Eureka County Commissioners and Eureka County Public Land Advisory Commission, Carson City, Nevada, February 1996.
[11] Correspondence received October 27, 1995 from Ms. Jean Rivers-Council, Associate State Director, BLM Nevada.

Table 9.

Frequency, Acreage Burned, and Pre-Suppression Costs of Fires On,
Or Threatening, Lands Administered By BLM Within Nevada
Fiscal Years 1990 - 1993

Year	Fires Suppressed[1]			Acres Burned[1]			Acres/Fire	NSO Fire Pre-Suppression Cost	$/Fire	NSO Fire Pre-Suppression Cost/Acre
	BLM	Non-BLM	Total Fires	BLM	Non-BLM	Total Acres Burned				
1990	323	118	441	15,322	8,398	23,720	54	$ 3,114,385	$7,062	$ 131.30
1991	364	110	474	18,119	8,459	26,578	56	$ 3,868,222	$8,161	$ 145.54
1992	395	88	483	25,295	22,768	48,063	100	$ 4,872,594	$10,088	$ 101.37
1993	278	75	353	46,716	5,813	52,529	149	$ 5,495,153	$15,567	$ 104.61

1/ Includes fires suppressed through force account and contract protection.

Sources: Fire frequency and acreage data: USDI, Bureau of Land Management, Public Land Statistics, 1990-1993 editions; NSO Fire Suppression Costs: Bureau of Land Management Nevada State Office (NSO), Labor Cost and Operations Plans, 1990-1993.

this analysis was drawn from annual reports typically produced by each state division of forestry. Tables 10, 11, 12, and 13 provide summary statistics for wildland fire suppression by the states of Nevada, Utah, Arizona, and New Mexico, respectively. Table 14 provides a summary of aggregated four-state fire suppression data. The individual state tables each suggest that while the number of wildland fires responded to by states is similar to BLM, the total cost per fire and cost per acre incurred by states is significantly less than was evidenced for BLM in Nevada.

Where total BLM fire costs in Nevada appear to range between $212 and $264 per acre, Table 10 suggests that fire suppression costs of the State of Nevada ranged between $30 and $80 per acre during the period 1990 through 1994. The average size of fires responded to by the State of Nevada ranged from 2 to 111 and averaged approximately 32 acres over the four-year period. During the period of 1990 through 1993, fires on BLM managed land averaged 78 acres in size (see Table 9).

Table 10
State of Nevada
Wildland Fire Suppression Costs On Clarke-McNary
Fire Protection Districts

Year	No. Fires	No. Acres Burned	Suppression Cost	Cost Per Acre Burned	Acres Per Fire	Cost Per Fire
1990	417	15,916	$ 762,200	$ 47.89	38	$1,828
1991	431	12,089	602,306	49.82	28	1,397
1992	521	57,827	1 771,889	30.64	111	3,401
1993	1,321	2,411	196,566	81.52	2	149
1994	366	12,502	397,650	31.80	34	1,086

Source: State of Nevada, Division of Forestry, Annual Fire Statistics, 1994, March 1995

Table 14 indicates that the combined average fire suppression cost for the states of Arizona, Nevada, New Mexico, and Utah ranged between $19.46 and $36.29 per acre during the period of 1991 through 1994. Consideration of Tables 10 through 14 leads one to conclude that states are able to conduct wildland fire suppression activities at costs significantly below those of the federal government.

Table 11
State of Utah
Wildland/Interface Fire Suppression Costs

Year	No. Fires	No. Acres Burned	Suppression Cost	Cost Per Acre Burned	Acres Per Fire	Cost Per Fire
1990	415	30,393	$2,547,483	$83.82	73	$6,139
1991	300	12,028	486,675	40.46	40	1,622
1992	499	40,025	1,343,886	33.38	80	2,693
1993	282	13,950	1,109,865	79.56	49	3,931
1994	703	166,419	6,274,498	37.70	237	8,925

Source: Utah Division of State Lands and Forestry, Wildland Fire Reports for calendar years 1990 - 1994.

Table 12
State of Arizona
Wildland Fire Suppression Costs

Year	No. Fires	No. Acres Burned	Suppression Cost	Cost Per Acre Burned	Acres Per Fire	Cost Per Fire
1990	326	17,486	$1,538,526	$87.99	54	$4,719
1991	423	9,740	577,353	59.28	23	1,365
1992	459	16,058	784,798	48.87	35	1,710
1993	834	109,294	3,590,726	32.85	131	4,305
1994	774	40,153	2,735,450	68.13	52	3,534

Source: Arizona State Land Department, Division of Forestry, Memorandum: Scott E. Hunt to Mike Hart, Re: Information Request for Intertech, October 11, 1995

Table 13
State of New Mexico
Wildland Fire Suppression Costs

Year	No. Fires	No. Acres Burned	Suppression Cost	Cost Per Acre Burned	Acres Per Fire	Cost Per Acre
1991	518	36,669	$ 893,132	$24.36	71	$1,724
1992	579	63,070	998,669	15.83	109	1,725
1993	1,209	192,699	1,299,421	6.74	159	1,074
1994	1,213	245,757	2,167,768	8.82	203	1,787
1995	894	129,456	2,096,389	16.19	145	2,345

Source: State of New Mexico, Forestry and Resources Division, unpublished table, "5 Year Fire History for New Mexico", provided by Frank Smith, State Fire Management Officer, November 27, 1995.

Under conditions of an assumed transfer of public land to state and/or county management, expectations of fire suppression costs for the approximate 48 million acres would be for significantly lower total expenditures than has been true for BLM. The foregoing analysis suggests that typical BLM fires are relatively small. The commonly held perception that fires on public lands are typically very large and therefore cost more to suppress may not be accurate. Depending upon location of state and/or county wildland fire suppression crews and equipment, local and state response to wildland fires on public lands may be quicker, thereby resulting in burned acreage on a scale similar to that experienced by current state fire suppression activities. Effective placement of trained state and local "quick" response fire personnel and equipment may serve to minimize the propensity for the periodic "campaign fire". Other states were found to have available at their disposal locally positioned manpower and equipment, including county staff and machinery.

Beyond enhanced placement and efficient use of manpower and equipment, avenues for reduction in fire suppression costs under conditions of assumed transfer of public land to the State of Nevada might also be possible through improvements in fire prevention and pre-

Table 14
Four-State Average Wildland Fire Suppression Costs[1]

Year	No. Fires	No. Acres Burned	Suppression Cost	Cost Per Acre Burned	Acres Per Fire	Cost Per Fire
1991	418	17,632	$ 639,867	$36.29	42	$1,531
1992	515	44,245	1,224,811	27.68	85	2,378
1993	912	79,589	1,549,145	19.46	87	1,699
1994	764	116,208	2,893,842	24.90	152	3,788

1/ Arizona, Nevada, New Mexico, Utah Source: Derived from Tables 10, 11, 12, and 13.

suppression activities. The 1987 session of Nevada's Legislature saw passage of Senate Bill 584 which directed the Nevada Association of Counties to conduct a study of the prevention and suppression of wildfires and the restoration of burned areas. In a December 1988 study for the Nevada Association of Counties (NACO), Resource Concepts, Inc. put forth several recommendations for reducing the risk and severity of wildland fires.[12] Selected examples of these recommendations follow:

1. Mandate local governments to adopt and enforce fire-safe development standards.
2. Develop and implement area-specific fuels management plans which consider all methods of hazard reduction including green stripping, grazing, vegetation conversion, etc.
3. Develop site specific rehabilitation plans with special consideration for cheat grass control and the use of green stripping.
4. Evaluate the opportunity for utilizing private contract fire crews for wildfire suppression.

Opportunities may exist for cross-training personnel and more efficiently utilizing federal and/or state/local pre-suppression labor dollars to accomplish initiatives identified in the NACO report (i.e. green stripping, vegetation control, fire prevention education). Recall that BLM spent $5.5 million on fire pre-suppression costs during fiscal year 1993. Maintaining fire crews in a standby mode may not be the most efficient use of labor and equipment.

[12] Resource Concepts, Inc., Nevada Association of Counties Natural Resources Report: Wildfire Management, prepared for the Nevada Association of Counties, Carson City, Nevada, August 1988.