

Trust land reform, budget top issues for Governor

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SCOTTSDALE - Gov. Janet Napolitano said Tuesday that she expects a state trust land reform measure on the ballot as early as 2008.

Napolitano said she had waited to see how a 2006 ballot measure did at the polls before gathering a small but potent group of legislators to resolve the issue, once and for all.

The 2006 measure failed "because of a very small interest group," Napolitano said during an interview for the *Scottsdale Republic Forum* cable TV news show.

The governor said Scottsdale Mayor Mary Manross was instrumental recently in stopping the auction of 1,700 acres that developers want for houses but the city wants preserved.

"I think she made some good arguments," Napolitano said of the mayor.

State trust land reform, the budget, and a statewide plan for transportation will dominate the governor's time next year.

In these and other areas, the governor said she wants people to think ahead, even as Arizona faces some hard economic times.

"I hope people know we are doing everything humanly possible to keep this state moving forward," she said. "I hope they have that sense of forward momentum."

Napolitano already has started negotiating with a team of eight legislators on a state trust land reform measure that could get through the Legislature and hit the statewide ballot in 2008.

While still a work in progress, the governor said she believes the group is close to a consensus.

"I think we have the opportunity with a small group of legislators and myself to hammer out a compromise," she said.

As part of the package, Napolitano said she wants to see reform of the Arizona State Land Department's funding options, in addition to auctions, for disposing of the state's 9.2 million acres of trust land. The trust land was set aside at statehood to help fund education and other state agencies, but the governor wants some land set aside for conservation.

Budget cuts are on the horizon

A looming state budget deficit as high as \$1.5 billion projected for the next fiscal year could mean cuts in spending, Napolitano said.

"Our economy turned on a dime in May," she added, attributing it in part to the psychological impact of the housing slump.

Along with cuts and deferred spending, Napolitano wants to use some money from the state's "rainy day fund" and issue bonds instead of cash for school building.

The governor promised that state-shared revenues, a piece of the state income tax that goes to cities and towns, will not be cut under her plan.

"The cities use that," Napolitano said.

Pushing transportation planning

As for legislators, the governor said she wants to see them put a statewide transportation plan "front and center" in the new year so it could go to the ballot in 2008, or even in a special election in 2009.

The plan should consider a variety of funding mechanisms, including the potential for public-private partnerships, Napolitano said.

She said toll roads could work in a public-private mechanism, although she would oppose converting any existing roads to tolls.

"I am going to predict they will take this up as a lead issue," Napolitano said of the Legislature's transportation plan. "It's a good time. It's the right time."