

A SURVEY TO DETERMINE THE EXACT SOURCE AND
LEGAL ALLOCATION OF REVENUES DERIVED
FROM PUBLIC LANDS IN ARIZONA ADMINISTERED
UNDER AUTHORITY OF THE TAYLOR GRAZING
ACT OF JUNE 28 1934

A Thesis Presented
in
Partial Fulfillment of the Requirements
for the Degree of
Master of Arts in Education

by

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ARIZONA STATE TEACHERS COLLEGE
AT TEMPE

1940

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TABLE OF CONTENTS

Chapter	Page
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PART I

I.	INTRODUCTION	1
	The Problem	1
	Reason for this Survey	1
	Public Lands in Arizona Administered by Federal Agencies	2
	The Taylor Grazing Act	3
	Previous Related Studies	12
	Procedure	13
II.	PUBLIC GRAZING LANDS IN ARIZONA ADMINISTERED BY FEDERAL AGENCIES UNDER AUTHORITY OF THE TAYLOR GRAZING ACT	14
	Revenues derived from Grazing Leases	17
	Revenues derived from Grazing Permits	17
	Revenues derived from Combined "Lease and Permit Contracts".	18
	The Problem of Legal Allocation of Revenues Derived from Grazing Leases and Permits.	18

PART II

III.	THE EXACT SOURCE OF AND LEGAL ALLOCATION OF FUNDS DERIVED FROM GRAZING LEASES AND PERMITS IN MARICOPA COUNTY	20
	Funds Derived from Permits	23
	Summary	23
IV.	CONCLUSIONS	26

LIST OF TABLES AND PLATES

Table		Page
I.	GRAZING AREAS ADMINISTERED BY THE GRAZING DIVISION, UNITED STATES DEPARTMENT OF INTERIOR	15
II.	REVENUE FROM GRAZING LEASES BY COUNTIES . .	17
III.	COMBINED INCOME FROM GRAZING LEASES AND GRAZING PERMITS FOR THREE YEARS	18
IV.	GRAZING LEASES IN MARICOPA COUNTY	21-23

Plate

I.	SPOT MAP SHOWING COUNTIES HAVING GRAZING LEASE AND PERMIT RIGHTS	16
II.	DISTRIBUTION OF GRAZING LANDS UNDER TAYLOR GRAZING ACT OF 1934	26

PART I
CHAPTER I

INTRODUCTION

The Problem. The problem involved in this survey is to determine the exact source of, and legal allocation of revenues from public lands in Arizona administered under authority of the Taylor Grazing Act of June 28, 1934.

Reason for This Survey. Increasing returns to the School funds to several counties in Arizona during the years 1938 and 1939 gave County Superintendents no small amount of worry as to what exact use certain of these funds were to be put. The general source of the funds was the "public domain" under authority of the Taylor Grazing Act, which allocated fifty per cent of the revenue obtained from certain "public domain" to those states in which the so designated land was situated, to the use of public education, the final use of the revenues to be determined by appropriate state regulations. In conformity with this idea, the Arizona Legislature in its regular session, 1937, in Session Laws, Bill No. 28, Chapter 11, 1937, under the heading "Education, Public Lands, and Providing for the Distribution thereof: Distribution of moneys received from the United States, An Act Relating to Moneys Received from Fees of Grazing Lands and Providing for the Distribution thereof" Section 2 thereof, Receipts from Lease of Public Lands, which reads, "All moneys received

from the lease of public lands within any county shall be placed to the credit of the school district within said county in which the land lies. If the lands do not lie within a school district, it shall be placed to the credit of the general school fund of the county." This final allocation as set up by this act created the problem of How to do it.

In 1939, Superintendent of County Schools, Maricopa County, E. D. Ring, attempted to put into operation Section 2, of the Session Laws, as it is quoted above, and found that there was no available data, sufficiently broken down that would enable him to carry out the intent of the law as set forth. Upon investigation of the procedure followed in other counties of the State, it was evident that no County Superintendent of Schools had found those data that would enable him to comply with the provisions of the law.

Superintendent of Schools, Mr. Ring, determined to learn what procedure was necessary to enable his office to allocate those funds derived from public lands in accord with the mandate of both Federal and State law. To that end he secured the services of the writer to investigate the source of the revenues received and to determine the procedure involved in making a legal allocation of the same.

Public Lands in Arizona Administered by Federal Agencies.

In Arizona three Federal Agencies administer the public lands which hereafter will be referred to as "public domain". Each

agency has its specific areas with a different code of regulations and administration. The Forest Service administers the National Forest. The United States Land Office, Department of the Interior, administers the public domain as a whole, and the Grazing Division of the United States Department of the Interior administers various areas set up as Grazing Districts. The United States Land Office operates under Section 15 of (Public-No. 482-73d Congress) (H. R. 64627); The Grazing Division, United States Department of the Interior operates under Section 3, of the same act. Under the provisions of this act, revenues derived from the public domain are deposited with the United States Treasurer in Washington, D. C. who then allocates them to those states being involved on such basis as prescribed by Sections ten and eleven of the Taylor Grazing Act.

THE TAYLOR GRAZING ACT

(Public--No. 482--73d Congress)

(H.R. 6462)

To stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of

of eighty million acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon and California Railroad grant lands, or revested Coos Bay Wagon Road grant lands, and which in his opinion are chiefly valuable for grazing and raising forage crops: Provided, That no lands withdrawn or reserved for any other purpose shall be included in any such district except with the approval of the head of the department having jurisdiction thereof. Nothing in this Act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands, and which is maintained pursuant to such law except as otherwise expressly provided in this Act, nor to affect any land heretofore or hereafter surveyed which except for the provisions of this Act, would be a part of any grant to any State, nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this Act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights. Neither this Act nor the Act of December 29, 1916 (39 Stat. 862; U.S.C., title 43, secs. 291 and following), commonly known as the "Stock Raising Homestead Act", shall be construed as limiting the authority or policy of Congress or the President to include in national forests public lands of the character described in section 24 of the Act of March 3, 1891 (26 Stat. 1103; U.S.C., title 16, sec. 471), as amended, for the purposes set forth in the Act of June 4, 1897 (30 Stat. 35; U.S.C., title 16, sec. 475), or such other purposes as Congress may specify. Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of ninety days after such notice shall have been given, nor until twenty days after such hearing shall be held: Provided, however, That the publication of such notice shall have the effect of withdrawing all public lands within the

exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this Act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district.

Sec. 2. The Secretary of the Interior shall make provision for the protection, administration, regulation, and improvement of such grazing districts as may be created under the authority of the foregoing section, and he shall make such rules and regulations and establish such service, enter into such cooperative agreements and do any and all things necessary to accomplish the purposes of this Act and to insure the objects of such grazing districts, namely, to regulate their occupancy and use, to preserve the land and its resources from destruction or unnecessary injury, to provide for the orderly use, improvement, and development of the range; and the Secretary of the Interior is authorized to continue the study of erosion and flood control and to perform such work as may be necessary amply to protect and rehabilitate the areas subject to the provisions of this Act, through such funds as may be made available for that purpose, and any willful violation of the provisions of this Act or of such rules and regulations thereunder after actual notice thereof shall be punishable by a fine of not more than \$500.

Sec. 3. That the Secretary of the Interior is hereby authorized to issue or cause to be issued permits to graze livestock on such grazing districts to such bonafide settlers, residents, and other stock owners as under his rules and regulations are entitled to participate in the use of the range, upon the payment annually of reasonable fees in each case to be fixed or determined from time to time: Provided, That grazing permits shall be issued only to citizens of the United States or to those who have filed the necessary declarations of intention to become such, as required by the naturalization laws and to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the live stock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water or water

rights owned, occupied or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit, if such denial will impair the value of the grazing unit of the permittee, when such unit is pledged as security for any bona fide loan. Such permits shall be for a period of not more than ten years, subject to the preference right of the permittees to renewal in the discretion of the Secretary of the Interior, who shall specify from time to time numbers of stock and seasons of use. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of the Interior is hereby authorized, in his discretion to remit, reduce, refund in whole or in part, or authorize postponement of payment of grazing fees for such depletion period so long as the emergency exists: Provided further, That nothing in this Act shall be construed or administered in any way to diminish or impair any right to possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law. So far as consistent with the purposes and provisions of this Act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this Act shall not create any right, title, interest or estate in or to the lands.

Sec. 4. Fences, wells, reservoirs, and other improvements necessary to the care and management of the permitted livestock may be constructed on the public lands within such grazing districts under permit issued by the authority of the Secretary, or under such cooperative arrangement as the Secretary may approve. Permittees shall be required by the Secretary of the Interior to comply with the provisions of law of the State within which the grazing district is located with respect to the cost and maintenance of partition fences. No permit shall be issued which shall entitle the permittee to use of such improvements constructed and owned by a prior occupant until the applicant has paid to such prior occupant the

reasonable value of such improvements to be determined under rules and regulations of the Secretary of the Interior. The decision of the Secretary in such cases is to be final and conclusive.

Sec. 5. That the Secretary of the Interior shall permit, under regulations to be prescribed by him, the free grazing within such districts of livestock kept for domestic purposes; and provided that so far as authorized by existing law or laws hereinafter enacted, nothing herein contained shall prevent the use of timber, stone, gravel, clay, coal, and other deposits by miners, prospectors for mineral, bona fide settler and residents, for firewood, fencing, buildings, mining, prospecting, and domestic purposes within areas subject to the provisions of this Act.

Sec. 6. Nothing herein contained shall restrict the acquisition, granting or use of permits or rights-of-way within grazing districts under existing law; or ingress or egress over the public lands in such districts for all proper and lawful purposes; and nothing herein contained shall restrict prospecting, locating, developing, mining, entering, leasing, or patenting the mineral resources of such districts under law applicable thereto.

Sec. 7. That the Secretary is hereby authorized, in his discretion, to examine and classify any lands within such grazing districts which are more valuable and suitable for the production of agricultural crops than native grasses and forage plants, and to open such lands to homestead entry in tracts not exceeding three hundred and twenty acres in area. Such lands shall not be subject to settlement or occupation as homesteads until after same have been classified and opened to entry after notice to the permittee by the Secretary of the Interior, and the lands shall remain a part of the grazing district until patents are issued therefor, the homesteader to be, after his entry is allowed, entitled to the possession and use thereof: Provided, That upon the application of any person qualified to make homestead entry under the public-lands laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract not exceeding three hundred and twenty acres in any grazing district to be classified, and such application shall entitle the applicant to a preference right to enter such lands when opened to entry as herein provided.

Sec. 8. That where such action will promote the purposes of the district or facilitate its administration, the Secretary is authorized and directed to accept on behalf of the United States any lands within the exterior boundaries of a district as a gift, or, when public interests will be benefited thereby, he is authorized and directed to accept on behalf of the United States title to any privately owned lands within the exterior boundaries of said grazing district, and in exchange therefor to issue patent for not to exceed an equal value of surveyed grazing district land or of unreserved surveyed public land in the same State or within a distance of not more than fifty miles within the adjoining State nearest the base lands: Provided, That before any such exchange shall be effected, notice of the contemplated exchange, describing the lands involved, shall be published by the Secretary of the Interior once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in the same manner in some like newspaper published in any county in which may be situated any lands to be given in such exchange; lands conveyed to the United States under this Act shall, upon acceptance of title, become public lands and parts of the grazing district within whose exterior boundaries they are located: Provided further, That either party to an exchange may make reservations of minerals, easements, or rights of use, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of the Interior. Where mineral reservations are made in lands conveyed by the United States, it shall be so stipulated in the patent, and any person who acquires the right to mine and remove the reserved mineral deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals, upon payment to the owner of the surface for damages caused to the land and improvements thereon. Upon application of any State of exchange lands within or without the boundary of a grazing district the Secretary of the Interior is authorized and directed, in the manner provided for the exchange of privately owned lands in this section, to proceed with such exchange at the earliest practicable date

and to cooperate fully with the State to that end, but no State shall be permitted to select lieu lands in another State.

Sec. 9. The Secretary of the Interior shall provide, by suitable rules and regulations, for co-operation with local associations of stockmen, State land officials, and official State agencies engaged in conservation or propagation of wild life interested in the use of the grazing districts. The Secretary of the Interior shall provide by appropriate rules and regulations for local hearings on appeals from the decisions of the administrative officer in charge in a manner similar to the procedure in the land department. The Secretary of the Interior shall also be empowered to accept contributions toward the administration, protection, and improvement of the district moneys so received to be covered into the Treasury as a special fund, which is hereby appropriated and made available until expended, as the Secretary of the Interior may direct, for payment of expenses incident to said administration, protection, and improvement, and for refunds to depositors of amounts contributed by them in excess of their share of the cost.

Sec. 10. That, except as provided in sections 9 and 11 hereof, all moneys received under the authority of this Act shall be deposited in the Treasury of the United States as miscellaneous receipts, but 25 per centum of all moneys received from each grazing district during any fiscal year is hereby made available, when appropriated by the Congress, for expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements, and 50 per centum of the money received from each grazing district during any fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which said grazing district is situated, to be expended as the State legislature may prescribe for the benefit of the county or counties in which the grazing district is situated: Provided, That if any grazing district is in more than one State or county, the distributive share to each from the proceeds of said district shall be proportional to its area therein.

Sec. 11. That when appropriated by Congress, 25 per centum of all moneys received from each grazing district on Indian lands ceded to the United States for disposition under the public-land laws during any fiscal year is hereby made available for

expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements; and an additional 25 per centum of the money received from grazing during each fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which said lands are situated, to be expended as the State legislature may prescribe for the benefit of public schools and public roads of the county or counties in which such grazing lands are situated. And the remaining 50 per centum of all money received from such grazing lands shall be deposited to the credit of the Indians pending final disposition under applicable laws, treaties, or agreements. The applicable public land laws as to said Indian ceded lands within a district created under this Act shall continue in operation, except that each and every application for nonmineral title to said lands in a district created under this Act shall be allowed only if in the opinion of the Secretary of the Interior the land is of the character suited to disposal through the Act under which application is made and such entry and disposal will not affect adversely the best public interest, but no settlement or occupation of such lands shall be permitted until ninety days after allowance of an application.

Sec. 12. That the Secretary of the Interior is hereby authorized to cooperate with any department of the Government in carrying out the purposes of this Act, and in the coordination of range administration, particularly where the same stock grazes part time in a grazing district and part time in a national forest or other reservation.

Sec. 13. That the President of the United States is authorized to reserve by proclamation and place under national-forest administration in any State where national forests may be created or enlarged by Executive order any unappropriated public lands lying within watersheds forming a part of the national forest which, in his opinion, can best be administered in connection with existing national-forest administration units, and to place under the Interior Department administration any lands within national forests, principally valuable for grazing, which, in his opinion, can best be administered under the provisions of this Act: Provided, That such reservations or transfers shall not interfere with legal rights acquired under any public-land laws so long as such rights are legally maintained. Lands placed under the national-forest administration under the authority of this Act shall be subject to all the laws

and regulations relating to national forests, and lands placed under the Interior Department administration shall be subject to all public-land laws and regulations applicable to grazing districts created under authority of this Act. Nothing in this section shall be construed so as to limit the powers of the President (relating to reorganizations in the executive departments) granted by title 4 of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933.

Sec. 14. That section 2455 of the Revised Statutes, as amended, is amended to read as follows:

"Sec. 2455. Notwithstanding the provisions of section 2357 of the Revised Statutes (U.S.C., title 43, sec. 678) and of the Act of August 30, 1890 (26 Stat. 391), it shall be lawful for the Secretary of the Interior to order into market and sell at public auction, at the land office of the district in which the land is situated, for not less than the appraised value, any isolated or disconnected tract or parcel of the public domain not exceeding seven hundred and sixty acres which in his judgment, it would be proper to expose for sale after at least thirty days' notice by the land office of the district in which such land may be situated: Provided, That for a period of not less than thirty days after the highest bid has been received, any owner or owners of contiguous land shall have a preference right to buy the offered lands at such highest bid price, and where two or more persons apply to exercise such preference right the Secretary of the Interior is authorized to make an equitable division of the land among such applicants, but in no case shall the adjacent land owner or owners be required to pay more than three times the appraised price: Provided further, That any legal subdivisions of the public land, not exceeding one hundred and sixty acres, the greater part of which is mountainous or too rough for cultivation, may, in the discretion of the said Secretary, be ordered into the market and sold pursuant to this section upon the application of any person who owns land or holds a valid entry of lands adjoining such tract, regardless of the fact that such tract may not be isolated or disconnected within the meaning of this section: Provided further, That this section shall not defeat any valid right which has already attached under any pending entry or location. The word "person" in

this section shall be deemed to include corporations, partnerships, and associations."

Sec. 15. The Secretary of the Interior is further authorized in his discretion, where vacant, unappropriated, and unreserved lands of the public domain are situated in such isolated or disconnected tracts of six hundred and forty acres or more as not to justify their inclusion in any grazing district to be established pursuant to this Act, to lease any such lands to owners of lands contiguous thereto for grazing purposes, upon application therefor by any such owner, and upon such terms and conditions as the Secretary may prescribe.

Sec. 16. Nothing in this Act shall be construed as restricting the respective States from enforcing any and all statutes enacted for police regulation, nor shall the police power of the respective States be, by this Act, impaired or restricted, and all laws heretofore enacted by the respective States or any thereof, or that may hereafter be enacted as regards public health or public welfare, shall at all times be in full force and effect; Provided, however, That nothing in this section shall be construed as limiting or restricting the power and authority of the United States.

Approved, June 28, 1934.

To comply with sections ten and eleven of the above act, the Legislature of the State of Arizona, by an enactment prescribed the disposition and allocation of such revenues (fifty per cent of the moneys collected from use of the public domain affected by the Grazing Act) providing that the public schools of the State be the direct beneficiaries, and further that the school districts within which lands of the public domain lay, benefit directly in the amounts produced by those lands.¹

Previous Related Studies. No previous study of this problem has been made.

1. Session Laws of Arizona, Ch. 11, Sec. 3, P. 24.

Procedure. The sources of data for this survey are the records of the United States Land Office. These records were examined and all factual data relative to the public domain producing revenue was collected and divided into two classes, one class where the public domain is administered under a "lease-contract" plan and a second class where the public domain is administered under a "permit-contract" plan. The public domain administered under a "lease-contract" plan is capable of description by "Section", "Township", and "Range" bounds established by the United States Land Surveys, With the "lease-contract" identification number, as a key, the boundaries of each "contract-lease" were ascertained and recorded.

From these data a map of the public domain in Maricopa County, Arizona, was constructed, from which was determined the exact location of lands lying within and outside of established school districts within the county.

Data designating territories administered in other counties of the State by the United States Land Office were taken direct from the permanent records. Data describing public domain administered by the Grazing Division under a "permit-contract" were taken from the records of the Grazing Division records in the Grazing Division Office, Department of the Interior, Phoenix, Arizona. The records for compiling these data were those of 1937, 1938, 1939 to January 1, 1940.

CHAPTER II

PUBLIC GRAZING LANDS IN ARIZONA ADMINISTERED BY FEDERAL AGENCIES UNDER AUTHORITY OF THE TAYLOR GRAZING ACT

Public lands in Arizona under the supervision and administration of the Taylor Grazing Act comprise a part of an aggregate area of eighty million acres of vacant, unappropriated and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon and California Railroad lands, or revested Coos Bay Wagon Road grant lands, chiefly valuable for grazing and for raising forage crops.¹ Of this area 14,596,380 acres are situated in Arizona and administered by the Grazing Division of the Department of the Interior. It is divided into four districts designated as District No. 1., District No. 2., District No. 3., and District No. 4. District No. 1, consists of the area north of the Colorado River in Arizona, 3,507,350 acres; District No. 2, 3,985,007 acres located in Mohave County, Arizona; District No. 3., 4,798,720 acres located in Pima, Pinal, Maricopa, and Yuma Counties, Arizona; District No. 4., 2,205,240 acres located in Graham and Greenlee Counties, Arizona. These areas are supervised and administered under authority of Section 3.²

1. (Public-No. 482-73d Congress) (H.R. 6462)

2. Op. cit.

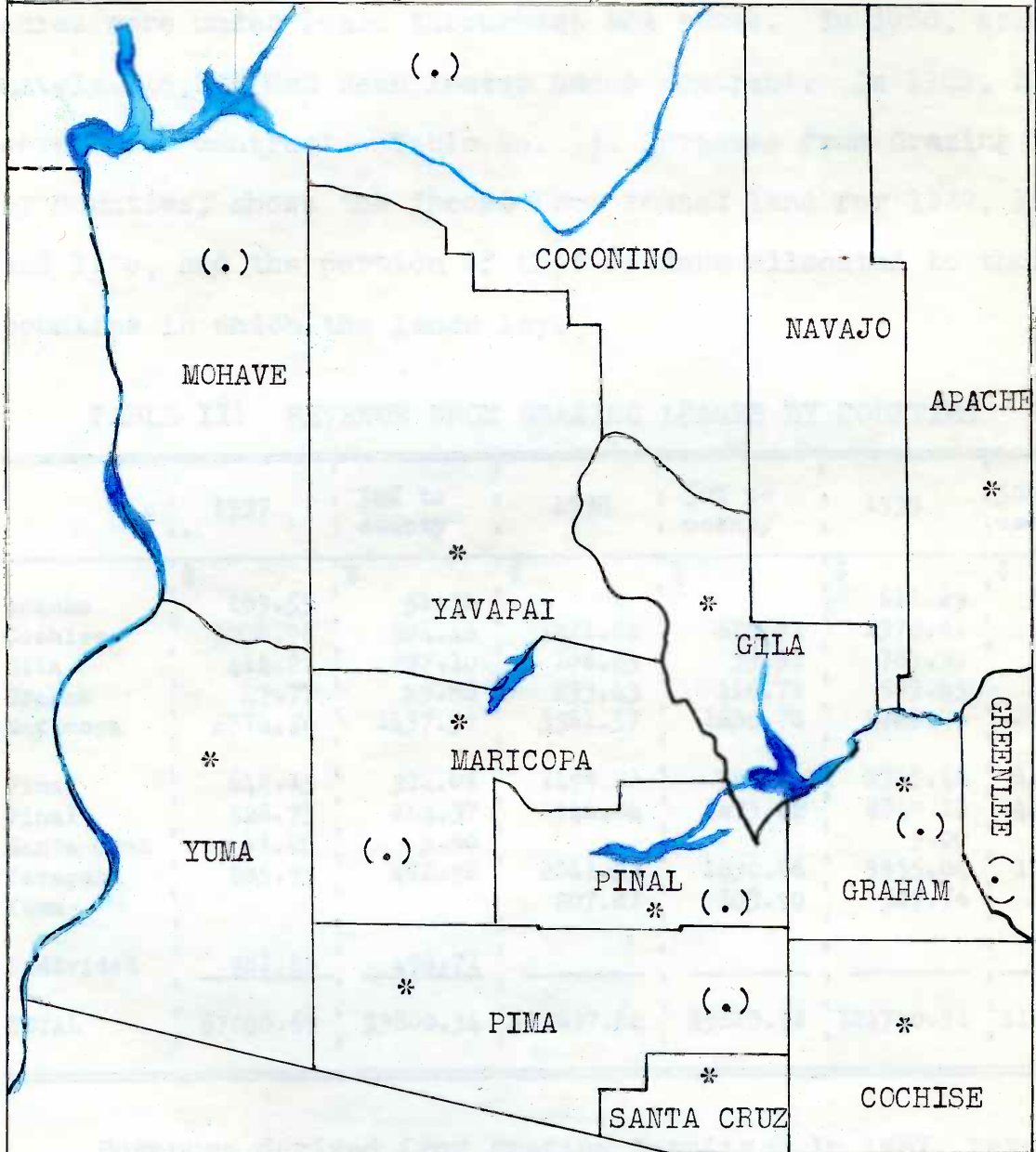
TABLE I. GRAZING AREAS ADMINISTERED BY THE GRAZING DIVISION
UNITED STATES DEPARTMENT OF INTERIOR.

District No. 1.	District No. 2.	District No. 3.	District No. 4.
Local State and Public Lands North of the Colorado River	Mohave	Maricopa Pima Yuma Pinal	Graham Greenlee

Under authority of Section 15¹ areas in ten counties are supervised and administered by the United States Land Office, Phoenix, Branch.

1.
(Public-No. 482-73d Congress) (H.R. 6462)

SPOT MAP SHOWING COUNTIES
HAVING GRAZING LEASE
AND PERMIT RIGHTS



A R I Z O N A

Legend: Grazing Leases *
Grazing Permits (.)

Revenues derived from Grazing Leases. The revenues derived from grazing lease contracts have increased yearly since the plan was put into operation. In 1937, approximately 76,000 acres were under lease throughout the state. In 1938, approximately 116,378 had been leased under contract. In 1939, 247,403 were under contract. Table No. II, Revenues from Grazing Land by Counties, shows the income from leased land for 1937, 1938 and 1939, and the portion of that revenue allocated to those counties in which the lands lay.

TABLE II. REVENUE FROM GRAZING LEASES BY COUNTIES

	1937	50% to county	1938	50% to county	1939	50% to county
	\$	\$	\$	\$	\$	\$
Apache	103.53	51.76			611.29	305.64
Cochise	1008.96	504.48	1221.82	610.91	1370.61	685.30
Gila	414.21	207.10	106.63	53.31	781.30	390.65
Graham	47.77	23.88	233.43	116.71	593.43	296.71
Maricopa	2874.76	1437.38	3361.57	1680.78	5703.26	2851.63
Pima	644.15	322.07	1499.21	749.60	2365.44	1182.72
Pinal	528.75	264.37	2946.04	1473.02	8849.18	4424.59
Santa Cruz	11.20	5.60			3.00	1.50
Yavapai	985.93	492.96	2061.33	1030.66	3955.04	1977.52
Yuma			207.81	103.90	507.76	253.88
Undivided	981.43	490.71				
TOTAL	\$7600.69	\$3800.34	\$11637.84	\$5818.92	\$24740.31	\$12370.15

Revenues derived from Grazing Permits. In 1937, revenue from grazing permits was \$24,382.72. In 1938, the revenue returned was \$28,813.70, and in 1939, the revenue amounted to \$26,486.11.

Revenue Derived From Combined "Lease and Permit Contracts"

The total revenue from leases for 1937, 1938, 1939 was \$43,978.84. The revenue from permit-contracts was \$79,682.53. The combined income was \$123,661.37. Fifty per cent of this amount was re-¹turned to Arizona by authority of sections ten and eleven.

Table No. III shows these returns by years for combined² lease and permit-contract.

TABLE III. COMBINED INCOME FROM GRAZING LEASES AND GRAZING PERMITS FOR THREE YEARS

	Leases	Permits	Total	50% to Counties
	\$	\$	\$	\$
1937	7600.69	24382.72	31983.41	15941.70
1938	11637.84	28813.70	40451.54	20225.77
1939	24740.31	26486.11	51226.42	25613.42
TOTAL	\$43978.84	\$79682.53	\$123661.37	\$61830.68

The Problem of Legal Allocation of Revenue Derived From Grazing Leases and Permits. Chapter Eleven, Session Laws of Arizona, 1937, Senate Bill, No. 28, Distribution of Moneys Received from the United States, Section 2, reads "Receipts from Lease of Public Lands; All moneys received from the lease of

1. Taylor Act., Op. Cit.

2. Records, U. S. Department of Interior, U. S. Land Office.

public lands within any county shall be placed to the credit of the school district within said county in which the land lies. If the lands do not lie within a school district it shall be placed to the credit of the general school fund of the county." ¹

The Federal Enactment designated that fifty per cent of the revenue derived from grazing permits and grazing leases should be returned to the State in which it had its origin. ² The State Legislature passed an enactment specifically setting forth how this revenue was to be allocated. The legislature further set forth from whom should be secured the necessary data for making these specific allocations. The business procedures of the several Federal Agencies through which these revenues were collected, make no provision for supplying the information needed to make a proper distribution that would be a legal allocation under Section 3, of Senate Bill No. 28, as it was enacted. The duty of the Federal Government ceased when the designated fifty per cent of the revenues from grazing leases and permits were turned over to the Treasurer of the State of Arizona. It then became the duty of the State Auditor and Treasurer to segregate and allocate such portions of such funds to which each county and its political subdivisions might be entitled.

Part II of this survey will show the procedure found necessary to comply with statutes in Maricopa County, Arizona.

1. Session Laws 1937 - pp 24-26.

2. Section 10, Taylor Grazing Act, op. cit.

PART II

CHAPTER III

THE EXACT SOURCE AND LEGAL ALLOCATION OF FUNDS DERIVED FROM GRAZING LEASES AND PERMITS IN MARICOPA COUNTY, ARIZONA

Allocation of Funds Derived from Leases. To determine the exact source and the exact fund to which the various funds derived from leases in Maricopa County, Arizona, should be allocated, the Record Serial Numbers, previously referred to as "Key Numbers", of all leases made in Maricopa County were segregated with the amounts earned by each lease. With these "Key Numbers" as a means of identification, the boundaries of each lease were ascertained and recorded, and platted on a "School District" Map of Maricopa County, Arizona. When a lease-area had been determined and platted, the district into which it fell was recorded, with its acreage, revenue, district and the term of the lease to the date of the lease termination. These tabulated data show the exact source and the legal allocation for all funds derived from leased land in Maricopa County, Arizona, for the years 1937, 1938, 1939 to January 1, 1940. Table No. IV, shows this tabulation in detail.

TABLE NO. IV. GRAZING LEASES IN MARICOPA COUNTY

Serial No.	Area	School District	Revenue	Term of Lease
075967	63285	Gen. Fund	\$ 632.85	5 years to 7-'43
967-A	2120		21.20	5 years to 4-'43
970	3827.68	93	77.42	5 years to 12-'43
998	1160	93	6.70	5 years to 8-'44
076030	3090	Gen. Fund	30.91	5 years to 9-'43
037	5991.91	" "	135.89	5 years to 3-'43
259	4597.26	93	45.97	5 years to 3-'44
259-A	360.12	93	3.60	5 years to 3-'44
269	8496.5	75	108.36	2 years to 12-'41
510	21271.97	Gen. Fund	212.72	5 years to 3-'43
422			5.00	Not leased in '40
442	A grazing permit		25.03	
496	10011.52	9	100.11	5 years to 9-'43
522	2240	Gen. Fund	22.40	3 years to 3-'42
558	3063.61	Gen. Fund	13.04	5 years
565	2224	Gen. Fund	37.40	5 years
585	2560	75	25.60	2 years to 9-'41
588	4627.4	75	178.81	
589	7040	Gen. Fund	111.40	5 years
625	14544.51	85	72.73	5 years to 8-'44
625-A	1120	Gen. Fund	5.60	3 years to 8-'42
626	7208.95	Gen. Fund	41.46	5 years to 8-'44
664	5495.12	75-81	55.84	1 year to 3-'40
665	714.02	75	7.14	1 year
742	13727.24	Gen. Fund	137.27	5 years
759	4979.68	Gen. Fund	49.79	2 years to 8-'41
761	34055	Gen. Fund	240.56	2 years
764	1382.64	Gen. Fund	13.82	2 years
765	3203.04	Gen. Fund	69.65	2 years to 12-'40
807	2202.97	75	33.05	3 years to 4-'41
871	2240	93	22.40	5 years
904	12131.59	Gen. Fund	121.32	5 years
921	8952.52	Gen. Fund	89.53	5 years to 6-'44
970	111073.98	Gen. Fund	789.34	3 years
985	320	63	3.20	5 years to 7-'43
994	304.76	93	3.05	2 years
078001	2400	9	110.40	5 years to 7-'43
009	2398.53	75	12.00	5 years to 7-'43
078	Not in Maricopa County			

TABLE NO. IV. (Continued)

Serial No.	Area	School District	Revenue	Term of Lease
			\$	
079	360	Gen. Fund	3.60	5 years to 9-'43
162	1507.79	Gen. Fund	25.07	5 years to 3-'45
195	4986.48	Gen. Fund	45.86	10 years to 8-'48
207	960	Gen. Fund	9.60	2 years to 7-'41
222	1040	93	25.80	5 years to 12-'43
232	Not leased in '40			
321	3036.88	Gen. Fund	93.33	2 years to 12-'41
337	480	93	16.70	5 years to 12-'43
337-A	160	93	1.60	5 years to 8-'44
376	1826.98	63	18.27	3 years to 6-'42
450	1752.52	75	13.15	2 years to 9-'40
451	3836.44	75	25.35	2 years to 9-'40
464	5120	Gen. Fund	51.20	5 years to 7-'43
465	1280	Gen. Fund	10.00	5 years to 7-'44
466	12362.15	75	144.42	3 years to 7-'41
078478	640	63	6.40	2 years to 7-'40
513	10180	75	54.40	3 years to 8-'40
522	Not leased in '40			
560	26786.67	Gen. Fund	232.37	1 year to 4-'40
568-F	3200	11	37.00	5 years to 9-'44
584	4919	75	24.19	1 year to 9-'40
587	2731.09	75	13.50	3 years to 9-'41
596	15573.74	Gen. Fund	235.74	3 years to 2-'42
613	2560	Gen. Fund	53.40	2 years to 12-'40
619	7209.95	Gen. Fund	40.00	5 years to 9-'44
619-A	653.16	Gen. Fund	6.53	5 years to 11-'44
620	5760	Gen. Fund	80.00	5 years to 8-'44
624	2949.99	75	29.79	2 years to 12-'40
627	1284.46	9	12.84	5 years to 9-'43
629	1260.18	Gen. Fund	12.60	5 years to 9-'43
649	5777.72	Gen. Fund	44.69	3 years to 12-'41
670	1920	Gen. Fund	29.20	5 years to 12-'44
708	77.02	Gen. Fund	.77	5 years to 9-'43
708-A	320	Gen. Fund	3.20	4 years to 2-'44
712	5120	Gen. Fund	81.20	3 years to 12-'41
716	1400	Gen. Fund	24.00	3 years to 6-'42
786	2120	Gen. Fund	36.00	1 year to 11-'40
849	1826.98	Gen. Fund	18.27	3 years to 6-'42
079039	680	9	11.80	3 years to 5-'42
069	19667.27	Gen. Fund	98.34	3 years to 6-'42

TABLE NO. IV. (Continued)

Serial No.	Area	School District	Revenue	Term of Lease
071	680.63	Gen. Fund	\$ 22.40	3 years to 8-'42
099	11017.3	75-81	170.17	1 year to 11-'40
120	640	75	11.40	3 years to 8-'42
180	478.64	Gen. Fund	9.29	5 years to 11-'44
377	3203.04	75	28.89	Not recorded
649	Not recorded			

Funds Derived from Permits. To determine the exact source of the revenue derived from permit-contracts in District one, two, three, and four, there is no exact method. The contracts are not on an acreage basis but are made on a grazing head basis. The division of this revenue is determined by the Department of the Interior, Division of Grazing, and reported to the Treasurer of the United States when returns are made to that office. The United States Treasurer in turn sets up the division of the funds returned to the State of Arizona who allocates them to the several counties as instructed by the United States Treasurer's Office. The only allocation feasible when once returned to the State is to the general school fund.

Summary. This survey shows definitely that only by a long and involved procedure is it possible for county school superintendents to follow the regulations made for them by the State Legislature in 1937 for allocating funds received from grazing lands. This survey shows, too, that three major problems have

to be solved each year preparatory to a legal allocation of such funds.

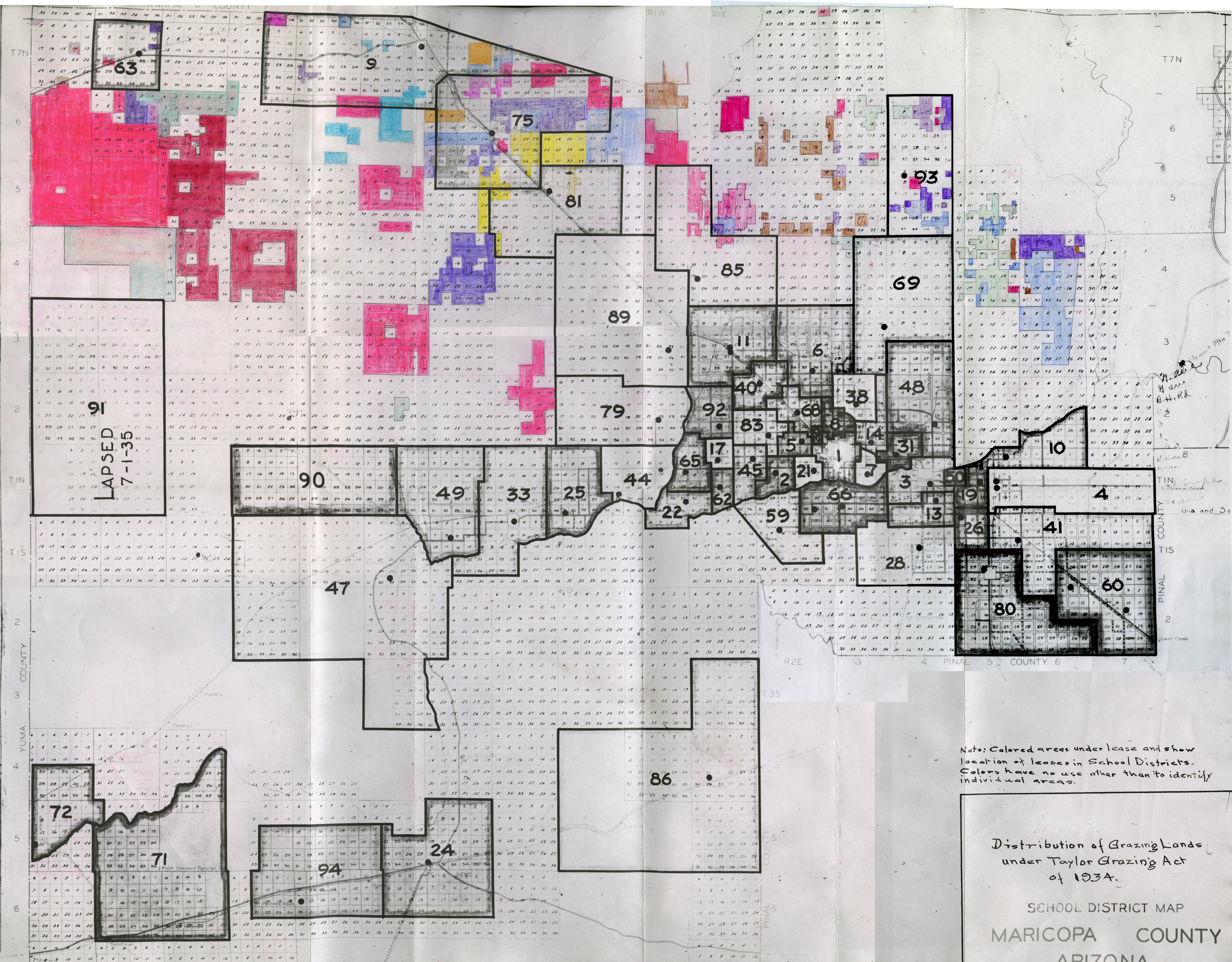
The first problem is to collect the scattered data from which to secure the necessary boundaries that the areas may be located in the county and in its school district. This is an exacting and too often a difficult task and requires the services of a skilled investigator.

The second problem is to plot the data of problem one and to compute the revenues from partial sections and section fractions that fall within and without the boundaries of the school district.

The third problem consists of building and maintaining an adequate record of the new, renewed, and discontinued leases from year to year. This will necessitate an annual survey of the records of the Land Office and the compiling of a school district map each year in order to know in what school district the leased lands lay. A probable fourth problem would be the segregation of leased land funds from district grazing permit funds.

That the revenue from grazing lands is and will become a more valuable source of income to the public schools is evidenced by its early growth shown in returns for 1937, 1938, and 1939, and the still large areas available to stockmen in the State.

This survey shows the procedure involved in establishing the set-up necessary for allocating the funds derived from grazing lands in Maricopa County, Arizona. It shows what procedure is necessary in each county entitled to revenues from grazing lands under the Taylor Grazing Act of 1934.



Note: Colored areas under lease and show location of leases in School Districts. Colors have no use other than to identify individual areas.

Distribution of Grazing Lands under Taylor Grazing Act of 1934.

SCHOOL DISTRICT MAP
MARICOPA COUNTY
ARIZONA

CHAPTER IV

CONCLUSIONS

The conclusions to be drawn from this survey are pertinent to the efficient disposition of the revenues to the State derived from public grazing lands under authority of the Taylor Grazing Act of 1934.

1. The method of procedure involved in order to comply with the requirements of the State Legislative Enactment is too complex and too expensive to justify it's use each year.

2. Because of the method involved and the attached expense, new legislation should be enacted permitting an allocation of these funds so that they would be available for use when returned by the United States Treasurer.

3. Up to the present time no method has been employed to legally allocate these funds and those school districts entitled to receive them under the law have been deprived of their use.

4. From a study of the geographical location of much of the area producing revenue it would seem that a more just distribution of these fund could be made by allocating the revenues derived from these sources to one and two room schools and to accomodation schools established in those outlying districts contiguous to these areas on a per capita basis.

5. New legislation is imperative if a proper return is to be had from this source of revenue and if the public schools are to benefit in the maximum through its use.