

SUPREME COURT OF ARIZONA

**Mayer Unified School District and Gadsen Elementary School
District v. Mark Winkleman, in his capacity as State Land
Commissioner; The Arizona State Land Department; The State of
Arizona; Apache County; Cochise County; Coconino County;
Graham County; Greenlee County; Maricopa County; Mohave
County; Navajo County; Pima County; Pinal County; Santa Cruz
County; Yavapai County; Yuma County; Maricopa County Flood
Control District; Arizona Department of Transportation; Town of
Carefree; City of Tucson; City of Flagstaff; Town of Gila Bend; City
of Glendale; City of Globe; Magma Flood Control District; Town of
Marana; City of Peoria; City of Phoenix; City of Scottsdale; City of
Sierra Vista; and City of Tempe**

No. CV-08-0225-PR · No. CV-08-0225-PR · Decided February 13, 2009

SUMMARY

The Arizona Supreme Court held that claims seeking compensation for uncompensated easements over state trust lands were barred by the statute of limitations. The court concluded that the claims accrued no later than the 1967 United States Supreme Court decision requiring compensation for such uses, and rejected the argument that the alleged violation was continuing. The court vacated the Court of Appeals’ opinion and affirmed the superior court’s dismissal.

CASE DETAILS

COURT	Supreme Court of Arizona
WRITING FOR THE COURT	Rebecca White Berch, Vice Chief Justice; Ruth V. McGregor, Chief Justice; Michael D. Ryan, Justice; W. Scott Bales, Justice; Andrew D. Hurwitz, Justice
JURISDICTION	Arizona
DECIDED	February 13, 2009
DOCKET	CV-08-0225-PR

DISPOSITION	vacated
PROCEDURAL POSTURE	The school districts sought compensation for uncompensated easements and rights of way granted over Arizona state trust lands between 1929 and 1967. The superior court dismissed the action on laches grounds; the court of appeals reversed the laches ruling but affirmed dismissal on the ground that Lassen II applied prospectively only. The Arizona Supreme Court granted review.
STANDARD OF REVIEW	The opinion does not expressly state a standard of review; it resolves the statute-of-limitations issue as a legal question.
PRECEDENTIAL VALUE	Published, precedential Arizona Supreme Court opinion decided en banc.
PARTIES	Mayer Unified School District, Gadsen Elementary School District v. Mark Winkleman, in his capacity as State Land Commissioner, The Arizona State Land Department, The State of Arizona, Apache County, Cochise County, Coconino County, Graham County, Greenlee County, Maricopa County, Mohave County, Navajo County, Pima County, Pinal County, Santa Cruz County, Yavapai County, Yuma County, Maricopa County Flood Control District, Arizona Department of Transportation, Town of Carefree, City of Tucson, City of Flagstaff, Town of Gila Bend, City of Glendale, City of Globe, Magma Flood Control District, Town of Marana, City of Peoria, City of Phoenix, City of Scottsdale, City of Sierra Vista, City of Tempe

TOPICS

trusts trustee duties beneficiary litigation statute of limitations easements

PRACTICE AREAS

trust law statute of limitations civil procedure real estate law government liability

QUESTIONS PRESENTED

1. Whether the school districts' claims for compensation for easements granted over state trust lands between 1929 and 1967 were barred by Arizona's one-year statute of limitations for actions against a government entity.
2. When the districts' cause of action accrued under A.R.S. § 12-821.01(B).
3. Whether the State Land Commissioner's continuing duty to obtain compensation created a continuing violation that avoided the statute of limitations.

HOLDINGS

1. The districts' cause of action accrued no later than January 10, 1967, when Lassen II was decided and reasonable persons should have known that compensation for the easements was required and had not been paid.
2. The Commissioner's continuing duty to obtain value for trust-land easements did not create a continuing violation that avoided the statute of limitations; the violation occurred when the easements were granted.
3. The districts' claims were time-barred because the complaint was filed more than one year after the claims accrued.

KEY QUOTATIONS

“We hold that the claims are time-barred.” (¶ 1)

“We agree that the violation here also occurred once, when the 09 easements were granted, even though the cause of action did not accrue until 1967.” (¶ 20)

“Because the Districts filed their complaint more than one year after their cause of action accrued, we hold that their claims are time-barred.” (¶ 21)

FACTUAL BACKGROUND

Arizona received nearly ten million acres under the Arizona-New Mexico Enabling Act to be held in trust for public schools. From 1929 through 1967, the State Land Department granted more than 900 easements and rights of way over trust lands to governmental entities without obtaining compensation for the school land trust. After the United States Supreme Court held in Lassen II that compensation was required for the full value of easements or uses of trust lands, the school districts sought compensation for the earlier easements.

PROCEDURAL HISTORY

The districts filed suit in the Maricopa County Superior Court on October 15, 2004, after unsuccessful efforts to obtain information and compensation from the State Land Commissioner. The superior court dismissed the claims based on laches. The court of appeals reversed the laches determination but affirmed dismissal on an alternative prospective-application theory. The Arizona Supreme Court vacated the court of appeals opinion and affirmed the superior court's judgment because the claims were barred by the statute of limitations.

DISPOSITION

vacated

CASES CITED

- Forest Guardians v. Wells, 201 Ariz. 255, 257, ¶ 2, 34 P.3d 364, 366 (2001)
- Berry v. Arizona State Land Department, 133 Ariz. 325, 327, 651 P.2d 853, 855 (1982)
- Lassen v. Arizona ex rel. Arizona Highway Department, 385 U.S. 458, 466-70 & n.22 (1967)
- Grossetta v. Choate, 51 Ariz. 248, 250-54, 75 P.2d 1031, 1032-33 (1938)
- State ex rel. Conway v. State Land Department, 62 Ariz. 248, 249-56, 156 P.2d 901, 901-04 (1945)

- State ex rel. Arizona Highway Department v. Lassen, 99 Ariz. 161, 162-68, 407 P.2d 747, 747-52 (1965)
- Kadish v. Arizona State Land Department, 155 Ariz. 484, 486-88, 747 P.2d 1183, 1185-87 (1987), aff'd sub nom. Asarco Inc. v. Kadish, 490 U.S. 605 (1989)
- Murphy v. State, 65 Ariz. 338, 344-53, 181 P.2d 336, 340-46 (1947)
- Tucson Unified School District v. Owens-Corning Fiberglas Corp., 174 Ariz. 336, 337, 849 P.2d 790, 791 (1993)
- City of Tucson v. Clear Channel Outdoor, Inc., 209 Ariz. 544, 554, ¶ 42, 105 P.3d 1163, 1173 (2005)
- Mitchell v. United States, 13 Cl. Ct. 474, 476-80 (1987)
- Mayer Unified School District v. Winkleman, 2008 WL 2128064 (Ariz. Ct. App. May 19, 2008)

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