



# STATE TRUST LANDS

Bill Proposal 2024

## FORESTRY AND TRUST LANDS DIVISION

SHAWN THOMAS, ADMINISTRATOR  
444-4978 / sthomas@mt.gov

GOVERNOR GREG GIANFORTE • DNRC DIRECTOR AMANDA KASTER

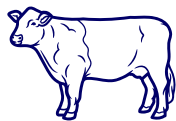
The Montana Department of Natural Resources and Conservation (DNRC) manages nearly 5.2 million surface acres and 6.2 million mineral acres of state trust lands to produce revenue for trust beneficiaries, while considering environmental factors and protecting the future income generating capacity of the land. DNRC has a fiduciary duty through the Montana Constitution and the Enabling Act to manage these working lands to generate revenue for trust beneficiaries that include K-12 public schools, universities, and other public institutions.

### What's the Enabling Act?

The Enabling Act granted federal lands to Montana with the intent to provide revenue for public education and other beneficiaries.

### TRUST LANDS ARE WORKING LANDS

Trust lands are managed to produce revenue for trust beneficiaries. Current uses include:



GRAZING



COMMERCIAL



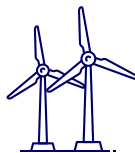
RECREATION



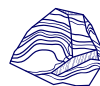
FOREST MANAGEMENT



AGRICULTURE



ENERGY



MINERALS



CABIN SITES

### BILL PROPOSAL

DNRC is proposing a new bill for the upcoming legislative session that would establish a commercial joint venture program that could enable a commercial lessee to improve, subdivide, and sell land without taking title to the land. The state would retain the title, and the lessee would provide the infrastructure, capital, and expertise to develop the land. The Trust would be compensated with an annual lease payment during development and receive a percentage of the gross selling price at the time a lot is sold to a third party, which would be higher than the income generated from a sale of undeveloped land. Proceeds from sales would be deposited in the land banking account to be used to purchase replacement lands.

The proposal fits within current law that already allows for commercial leasing and sales of state trust land. All land projects and sales would go through the Montana State Board of Land Commissioners (Land Board) for review with opportunity for public input.

**Helping Fund Public Schools in Montana Since 1889**

## BANKING ON FUTURE TRUST LAND

As communities grow, there are state trust lands in the path of development that are no longer viable for agriculture leases or forest management. Rather than sitting vacant, commercial businesses or housing may be the most applicable use.

State trust land can be sold through the land banking program or leased through the commercial leasing program under current statutory authorization. This proposal would provide an alternative pathway within the already established state trust land process that's been in effect for years. The alternative pathway would provide more funding for the Trust, while reducing upfront costs for commercial projects.

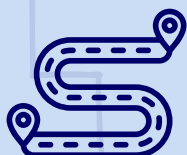
## THE PROPOSAL CAN PROVIDE



**Revenue for K-12 public schools and other trust beneficiaries.**



**Opportunities to purchase replacement trust land in less developed areas with revenue from land sales.**



**A pathway for land use in growing communities that may otherwise be vacant or left behind.**

**Learn More About Trust Lands At:**

**[DNRC.MT.GOV](https://dnrc.mt.gov)**