



Department of Natural Resources & Conservation

LAND BANKING REPORT February 2025

Background

HB 223 (77-2-361 through 367, MCA) passed the Legislature in 2003 with bipartisan support, including unanimous support from the Land Board. HB 223 enacted a Land Banking Program whereby the proceeds of trust land sales would be placed in a special land banking account which could only be used to acquire other real property interests (land, easements, or improvements). In 2009 the Legislature passed HB 402, removing the sunset of the initial legislation, and capping the number of acres that could be sold through land banking at 250,000.

Statute & Rule Requirements

Statute limits the sale of land to 250,000 acres.

- Of these 250,000 acres, at least 75% must be isolated land.
- Limits sales to 20,000 acres until replacement properties are purchased.

Replacement land must generate as much or more revenue than the land sold.

The Department of Natural Resources & Conservation (DNRC) is required to provide a report to the Environmental Quality Council (EQC) prior to each regular legislative session which describes the results of the Land Banking Program in detail.



Administrative Rules of Montana (ARM 36.25.701 through 708 and ARM 36.25.801 through 817) guide the Land Banking Program and require a rigorous examination of state trust land prior to sale. This includes evaluation using the Montana Environmental Policy Act (MEPA) process, appraisal, notification of lessees, beneficiaries, adjacent landowners, licensees, and publication of legal notices, culminating in public auctions after which final State Land Board approval is required.

Goals and Accomplishments of the Program

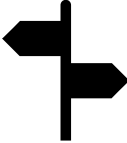


Three goals of the program include: 1) increasing public access to state trust land through strategic sales and acquisitions; 2) improving the investment portfolio of the beneficiaries by diversifying land holdings; and 3) enhancing management and stewardship activities with land consolidation. To date, DNRC has accomplished:

- Isolated sales make up 76% of all acreage sold since the Land Banking Program's inception in 2003, while all 98,272 acres purchased through the program are legally accessible for the Department and the public.
- Cabin sites sold generated \$1,084,706 annually at a 2.91% rate of return.
- Land sales not including cabin sites have generated \$270,890 annually at a 0.48% rate of return.
- Total of all land sold has generated \$1,355,596 annually at a 1.45% rate of return.
- Land acquired has generated \$1,019,235 annually at 1.91% rate of return.
- Land sold is predominantly low-producing and isolated grazing lands, except for leased cabin/home sites which produce a higher rate of return than isolated tracts.
- The land acquired includes commercial, agricultural, grazing, and timbered land with layered income potential.
- Acquisitions are contiguous and (in most cases) result in consolidating existing state ownership.

Land Banking by the Numbers

LAND SALES			
\$93,376,596 total generated from land banking sales through the Land Banking Program	\$537,000 total generated from land banking sales in 2024	68,340 or 76% of the acres sold since 2006 have been inaccessible	15 total acres sold in 2024
662 parcels sold at auction since 2006 	\$15.05 average income per acre of sold parcels	267 total cabin & home sites sold since 2014 	90,099 total acres sold since 2006

ACQUISITIONS

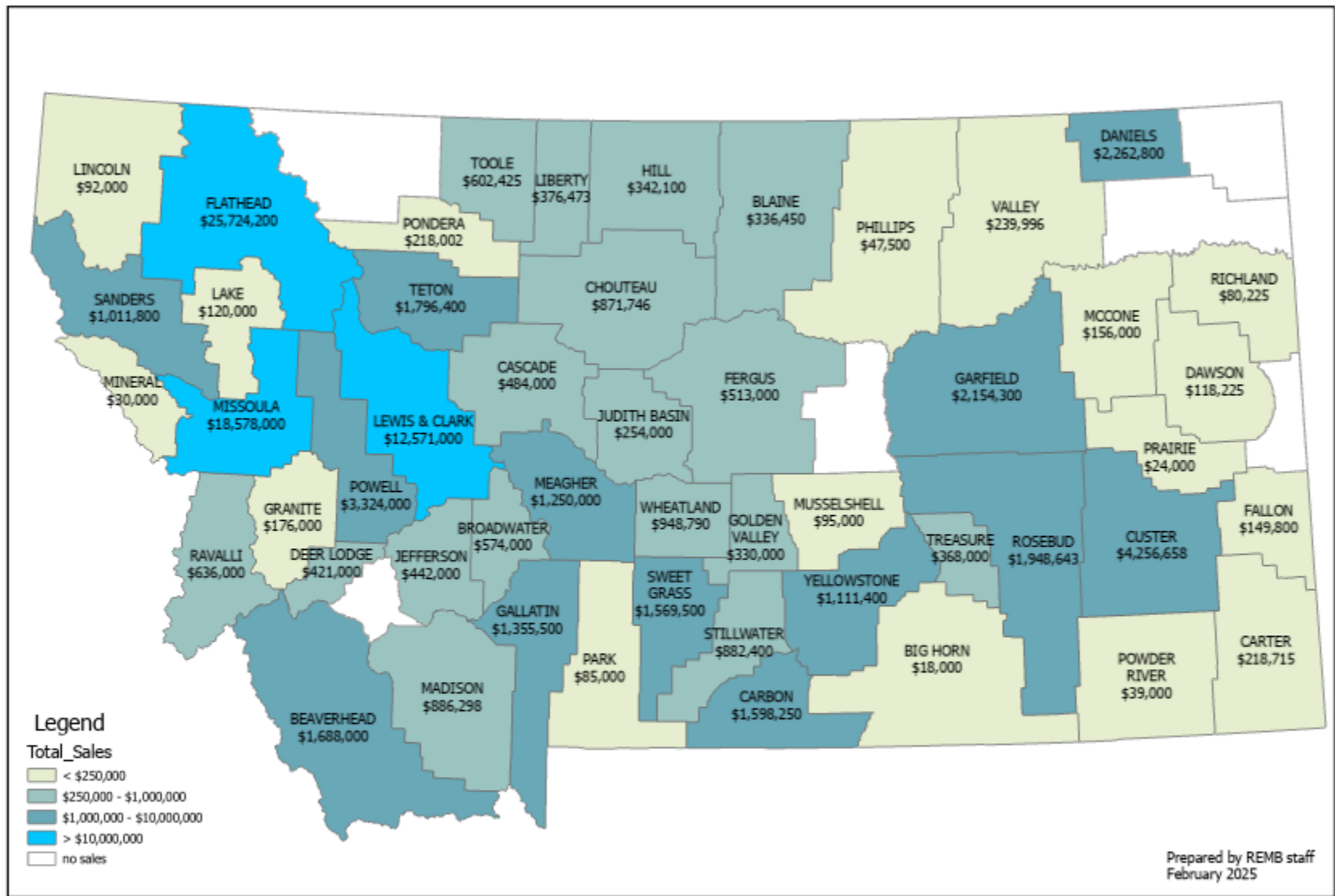
<p>98,272 total acres acquired since 2006</p> 	<p>\$1,019,235 generated annually from parcels acquired</p>	<p>23 acquisitions since 2006</p> 
<p>\$10.37 average income per acre for all acquisitions</p>	<p>\$19.03 average annual income per acre of acquired parcels from annual lease payments</p>	<p>98,272 acres of publicly accessible land acquired</p> 
<p>3.17% average rate of return on acquired parcels with annual lease payments</p>	<p>2.21% projected long-term average rate of return on forested acquisitions</p>	<p>\$543 average cost per acre for all acquisitions</p>

TRUST LAND SALES BY COUNTY 2006-2024

Acres	County	Sales Price	Annual Income
1,640	Beaverhead	\$1,688,000	\$5,095
2	Big Horn	\$18,000	\$1,325
1,284	Blaine	\$336,450	\$3,290
1,150	Broadwater	\$574,000	\$6,340
935	Carbon	\$1,598,250	\$1,034
705	Carter	\$218,715	\$1,367
805	Cascade	\$484,000	\$2,291
3,129	Chouteau	\$871,746	\$8,237
14,608	Custer	\$4,256,658	\$21,296
6,889	Daniels	\$2,262,800	\$57,326
646	Dawson	\$118,225	\$432
360	Deer Lodge	\$421,000	\$5,109
340	Fallon	\$149,800	\$1,369
920	Fergus	\$513,000	\$2,900
761	Flathead	\$25,724,200	\$387,531
26	Gallatin	\$1,355,500	\$26,191
13,783	Garfield	\$2,154,300	\$17,204
658	Golden Valley	\$330,000	\$3,232
160	Granite	\$176,000	\$417
684	Hill	\$342,100	\$2,310
480	Jefferson	\$442,000	\$1,198
177	Judith Basin	\$254,000	\$4,788
2	Lake	\$120,000	\$5,700
10,452	Lewis and Clark	\$12,571,000	\$75,805
1,425	Liberty	\$376,473	\$2,762
8	Lincoln	\$92,000	\$1,716
479	Madison	\$886,298	\$601
301	McCone	\$156,000	\$1,867
852	Meagher	\$1,250,000	\$9,164
13	Mineral	\$30,000	\$0
1,119	Missoula	\$18,578,000	\$609,013
160	Musselshell	\$95,000	\$1,017
7	Park	\$85,000	\$24
10	Phillips	\$47,500	\$755
618	Pondera	\$218,002	\$3,829
83	Powder River	\$39,000	\$910
2,329	Powell	\$3,324,000	\$14,288

TRUST LAND SALES BY COUNTY 2006-2024, CONTINUED

Acres	County	Sales Price	Annual Income
9	Prairie	\$24,000	\$699
636	Ravalli	\$636,000	\$1,611
23	Richland	\$80,225	\$1,519
7,032	Rosebud	\$1,948,643	\$9,741
34	Sanders	\$1,011,800	\$18,446
1,930	Stillwater	\$882,400	\$3,855
484	Sweet Grass	\$1,569,500	\$2,662
2,002	Teton	\$1,796,400	\$7,159
2,869	Toole	\$602,425	\$4,910
1,600	Treasure	\$368,000	\$2,039
492	Valley	\$239,996	\$5,498
2,266	Wheatland	\$948,790	\$3,738
2,722	Yellowstone	\$1,111,400	\$5,984
90,099	Total	\$93,376,596	\$1,355,596







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Montana Trust Lands
Land Banking Sales by County, 2006 - 2024



Trust Land Sold through the Land Banking Program 2006-2024

SALES BY TRUST				
ACRES	GRANT	SALES PRICE	ANNUAL INCOME	AVERAGE RATES OF RETURN
83,660	Common Schools	\$60,903,229	\$497,513	0.82%
640	Morrill	\$614,400	\$1,428	0.23%
330	Montana State University	\$14,764,000	\$516,261	3.50%
11	School for the Deaf & Blind	\$352,000	\$7,818	2.22%
2,823	Public Building	\$2,079,385	\$19,233	0.92%
150	Montana Tech	\$11,341,200	\$243,675	2.15%
896	Pine Hills	\$1,873,290	\$53,473	2.85%
450	Western / Eastern	\$604,592	\$9,081	1.50%
1,140	University of Montana	\$844,500	\$7,114	0.84%
90,099	TOTAL	\$93,376,596	\$1,355,596	1.45%

SALES BY LAND TYPE			
 83,891 grazing acres sold	 3,215 agricultural acres sold	 2,408 forested acres sold	 584 other acres sold (cabin/home sites)

SALES IN SUMMARY			
\$1,036 average sale price per acre of parcels sold	9,932 acres sold since the last acquisition	68,340 inaccessible acres sold since 2003	1.45% average rate of return of parcels sold
76% of all sales have been isolated & inaccessible.			

Land Acquired through the Land Banking Program 2006-2024

This table summarizes replacement property acquired with land banking proceeds. Each acquisition is evaluated on set criteria. Properties must:

- increase the rate of return compared with the land sold;
- improve access and consolidate land holdings;
- maintain a similar land base consistent with the state's fiduciary duty; and
- consider equalization of land base through sales and acquisitions by geographic area.

It is important to note that while 90,099 acres were sold generating \$93,376,596 in sales revenue, the state spent only \$53,328,091 to acquire 98,272 acres. Additionally, the replacement acreage is all publicly accessible and produces a higher rate of return to the school trust lands.

LAND ACQUIRED THROUGH THE LAND BANKING PROGRAM 2006-2024							
TRACT NAME	COUNTY	ACRES	PURCHASE PRICE	APPRAISED VALUE	2024 NET INCOME	2024 RATE OF RETURN	PURCHASE DATE
Eustance Ranch (Ulm Pishkin)	Cascade	898 Ag & Grazing	\$718,256	\$969,600	\$23,295	3.24%	Oct-06
Capdeville Ranch	Valley	530 Ag	\$618,000	\$619,000	\$17,391	2.81%	Dec-06
North Lincoln	Lewis & Clark	1,042 Grazing & Timber	\$1,131,636	\$1,480,000	\$1,946	0.17%*	Dec-06
Ovando Mountain	Powell	1,439 Grazing & Timber	\$540,735	\$975,000	\$3,548	0.66%*	Dec-06
Wolf Creek Ranch	Fergus	1,843 Ag & Grazing	\$1,290,000	\$1,290,000	\$26,236	2.03%	Jan-07
Tongue River Ranch	Custer	18,544 Ag & Grazing	\$4,800,000	\$4,800,000	\$127,903	2.66%	Apr-07

**LAND ACQUIRED THROUGH THE LAND BANKING PROGRAM
2006-2024, CONTINUED**

TRACT NAME	COUNTY	ACRES	PURCHASE PRICE	APPRAISED VALUE	2024 NET INCOME	2024 RATE OF RETURN	PURCHASE DATE
Tupper Lake	Powell	1,778 Grazing & Timber	\$1,271,000	\$1,271,000	\$1,077	0.08%*	Jul-08
DeBruycker Farm	Teton	5,212 Ag & Grazing	\$4,980,000	\$4,980,000	\$138,128	2.77%	Dec-08
Valentine Water Project	Fergus	304 Grazing	\$150,000	\$150,000	\$1,258	0.84%	Jan-09
Chamberlain Creek	Missoula	1,172 Grazing & Timber	\$1,336,000	\$1,336,000	\$3,350	0.06%	Jul-10
Chamberlain Creek with CE	Missoula & Powell	13,411 Timber	\$4,600,000	\$4,600,000			
North Swan (Phase 1)	Lake	1,920 Timber	\$1,435,830	\$1,435,830	\$3,987	0.05%	Dec-10
North Swan (Phase 2)	Lake	14,624 Timber	\$5,849,600	\$5,849,600			Dec-12
Milk River Ranch	Hill	1,514 Ag & Grazing	\$1,069,226	\$1,069,226	\$20,863	1.95%	Dec-12
1539 Eleventh Avenue, Helena	Lewis & Clark	1 Commercial	\$435,500	\$803,000	\$44,564	10.23%	Feb-13
Hougardy Farm	Treasure	407 Ag & Grazing	\$1,000,000	\$1,000,000	\$17,491	1.75%	Oct-14
Bullhead Ranch	Pondera	2,563 Ag & Grazing	\$2,500,000	\$2,550,000	\$108,227	4.33%	Aug-15
Clapper Flat Farm	Yellowstone	617 Ag & Grazing	\$490,000	\$490,000	\$3,814	0.78%	Jun-16

**LAND ACQUIRED THROUGH THE LAND BANKING PROGRAM
2006-2024, CONTINUED**

TRACT NAME	COUNTY	ACRES	PURCHASE PRICE	APPRAISED VALUE	2024 NET INCOME	2024 RATE OF RETURN	PURCHASE DATE
Lost Creek Farm	Stillwater	2,017 Ag	\$1,333,000	\$1,445,500	\$31,872	2.39%	Jun-17
Birkley Road Farm	Yellowstone	1,266 Ag	\$979,265	\$979,265	\$37,173	3.80%	Sep-17
Angela Farm	Rosebud	16,952 Ag & Grazing	\$11,300,000	\$11,300,000	\$404,157	3.58%	Mar-18
Stillwater Lazy Creek Phase I	Flathead	7,018 Timber	\$3,777,579	\$3,777,579	\$2,956	0.05%*	Feb-18
Stillwater Lazy Creek Phase II	Flathead	3200 Timber	\$1,722,464	\$1,722,464			Oct-18
TOTAL		98,272 acres	\$53,328,091	\$54,893,064	\$1,019,235	1.91%	

* Rate of Return only reflects secondary income. Timber will be harvested from the property during the next 60 years.