

Department of Natural Resources and Conservation
**Report to the Environmental Quality Council on
 SB369 Cabin and Home Site Sales
 July 2017**

DRAFT

Background:

SB369 passed the Legislature in 2013 with bipartisan support. SB369 enacted a cabin and home site sale 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 that provide equal or better revenue for trust beneficiaries.

Statute requirements:

- Require the sale of cabin and home sites at the request of a lessee or improvements owner, only if approved by the Land Board and the sale is consistent with the Board’s fiduciary duty of attaining full market value.
- The Department is required to on or before July 1 of each year, in consultation with the appropriate stakeholders, report to the environmental quality council by providing a summary of land sales of those lands that were state land cabin or home sites pursuant to 77-2-318 and efforts by the department to comply with the requirements of 77-2-318(1).

Goals of the program:

- Make available for sale cabin and home sites at the request of a lessee or improvements owner, only if approved by the Board and the sale is consistent with fiduciary duty of attaining full market value.
- To maximize the revenue from the sale of these state cabin sites to the beneficiaries, the properties must be sold over a reasonable period of time.
- Improve the investment portfolio of the beneficiaries by purchasing replacement lands that provide better income return, or invest sale funds in the permanent fund.
- Sale of approximately 40 cabin and home sites per year.

Milestones:

- Administrative Rules (ARM 36.25.701 through 708) were given final approval by the Board of Land Commissioners in December 2013.
- Since 2014 the following cabin/home sites have been sold:

Sale Location	Grant	Sale Price	Appraised Value of Improvements	Sale Price Applied to Easements
Lot 16, Elbow Lake	Pine Hills	\$150,000	\$45,000	\$22,620
Lot 6, Bear Canyon	Western/Eastern	\$17,500	\$415,000	\$4,000
	Montana Tech	\$52,500		\$0
Lot 21, Echo Lake	Montana Tech	\$460,000	\$240,000	\$5,299
Lot 32, Echo Lake	Montana Tech	\$350,000	\$420,000	\$9,199
Lot 37, Echo Lake	Montana Tech	\$270,000	\$25,240	\$10,299
Lot 34, Echo Lake	Montana Tech	\$300,000	\$80,000	\$9,499
Lot 39, Echo Lake	Montana Tech	\$280,000	\$305,000	\$0
Lot 41, Echo Lake	Montana Tech	\$330,000	\$225,000	\$0
Lot 32, Lake Rogers	Montana Tech	\$230,000	\$530,000	\$0
Lot 9, Morrell Flats	MSU	\$28,000	N/A	\$0
Lot 10, Morrell Flats	MSU	95,000	\$45,000	\$0

Lot 11, Morrell Flats	MSU	\$50,000	\$103,000	\$0
Lot 12, Morrell Flats	MSU	\$15,000	N/A	\$0
Lot 13, Morrell Flats	MSU	\$50,000	\$100,000	\$0
Parcel A, Six Mile	MSU	\$71,500	\$125,000	\$2,370
Lot 6, Beaver Lake	Montana Tech	\$176,000	\$39,000	\$126,380
Lot 9, Beaver Lake	Montana Tech	\$190,000	\$24,000	\$0
Lot 17, Beaver Lake	Montana Tech	\$180,000	\$31,000	\$0
Lot 1, McGregor Lake	Common Schools	\$300,000	\$110,000	\$3,168
Lot 15, McGregor Lake	Common Schools	\$220,000	\$220,000	\$6,475
Lot 26, McGregor Lake	Common Schools	\$220,000	\$510,000	\$9,730
Lot 2, Seeley Lake Outlet West	MSU	\$150,000	\$70,000	\$4,761
Lot 6, Seeley Lake Outlet West	MSU	\$160,000	\$200,000	\$4,113
Lot 21, Seeley Lake Outlet West	MSU	\$160,000	\$80,000	\$1,458
Lot 1A, Grant Creek	Common Schools	\$165,000	\$180,000	\$0
Lot 2, Grant Creek	Common Schools	\$165,000	\$330,000	\$0
Lot 3, Grant Creek	Common Schools	\$210,000	\$170,000	\$0
Lot 5, Grant Creek	Common Schools	\$220,000	\$270,000	\$0
Lot 43, Seeley Dvt	MSU	\$32,000	\$42,000	\$0
Lot 44, Seeley Dvt	MSU	\$32,000	\$46,000	\$0
Lot 2, Seeley Dvt N.	Common Schools	\$32,000	\$25,000	\$0

- The Department's portion of processing costs for cabin/home site sales as of June 30, 2017 is approximately \$170,000. These costs include appraisal fees, land surveys, easements, marketing and closing costs.
- In August 2017, a letter explaining the sale program and soliciting interest in the 2018 & 2019 sale cycle will be sent to lessees and improvement owners. Lessees and improvement owners must respond by the date indicated in the letter if they wish to be considered for the 2018 & 2019 sale cycle.

Cabin & Home Sites – by County

County	# of Sites	# of Acres	2014 DOR Value
Beaverhead	2	2.51	\$70,871
Big Horn	2	5.60	\$12,520
Blaine	3	16.37	\$37,260
Broadwater	2	11.17	\$69,155
Cascade	4	15.10	\$151,580
Chouteau	16	100.07	\$387,188
Custer	1	10.94	\$20,934
Daniels	7	42.37	\$131,597
Dawson	1	6.35	\$17,220
Fallon	2	28.70	\$5,606
Fergus	5	32.13	\$120,899
Flathead	171	298.70	\$26,421,537
Gallatin	12	39.25	\$1,500,062
Golden Valley	2	12.23	\$15,676
Hill	1	15.00	\$30,200
Judith Basin	5	39.49	\$129,429
Lake	38	106.75	\$5,712,541
Lewis & Clark	69	99.94	\$2,914,504
Lincoln	13	48.13	\$456,631
Madison	4	15.78	\$239,206
McCone	1	15.30	\$2,738
Meagher	1	12.40	\$41,738
Mineral	7	14.41	\$106,974
Missoula	247	500.08	\$21,836,775
Musselshell	6	43.46	\$123,404
Phillips	2	10.21	\$22,600
Pondera	2	11.76	\$34,760
Powder River	2	3.06	\$31,096
Powell	12	18.42	\$501,311
Prairie	3	10.87	\$30,783
Richland	5	61.77	\$218,327
Rosebud	1	1.08	\$11,404
Sanders	66	60.01	\$1,322,949
Sheridan	6	45.16	\$121,500
Stillwater	2	13.51	\$57,042
Sweet Grass	1	3.47	\$4,664
Toole	1	8.32	\$19,820
Valley	5	37.90	\$121,060
Wheatland	5	34.74	\$44,189
Wibaux	1	1.94	\$21,868
Yellowstone	4	18.88	\$213,772
Totals	740	1,873.33	\$63,333,390

Cabin & Home Sites – by Area Office

DNRC Area Office	# of Sites	# of Acres	2014 DOR Value
Central	29	117.42	\$2,153,056
Eastern	17	140.01	\$359,976
Northeastern	57	385.67	\$1,161,598
Northwestern	288	513.594	\$33,913,658
Southern	15	84.92	\$411,402
Southwestern	334	631.72	\$25,333,700
Totals	740	1,873.33	\$63,333,390

Cabin & Home Sites – by Grant

Grant	# of Sites	# of Acres	2014 DOR Value
MSU – 2 nd Grant	196	429.02	\$17,934,403
MSU - Morrill Trust	2	6.0	\$226,600
Common Schools	303	993.81	\$21,437,192
Deaf & Blind School	37	65.9	\$1,385,219
Public Buildings	56	137.44	\$1,953,213
Veterans Home	1	16.4	\$47,051
Montana Tech	97	147.44	\$16,872,199
Eastern/Western	11	19.0	\$873,110
Pine Hills	36	53.38	\$2,486,140
University of Montana	1	5.0	\$118,263
Totals	740	1,873.33	\$63,333,390