

Capital Land Grant Interest and Income

Revenue Description

The capital land grant fund is a fund set up for public buildings at the state capital for construction, repair, renovation, and other permanent improvements of state building. Capital land grant funds can also be used for the acquisition of land for such buildings, as well as the payment of principal and interest on bonds issued for any of these purposes. The funds for this come from lands granted by the federal government to the state, which generate income from a variety of sources, as well as interest from principal in the account. Section 12 of the *Enabling Act* requires that income generated on certain sections of federally granted land be used for this purpose.

Statutory Reference

Distribution – [18-2-107, MCA](#)
[Enabling Act](#), Sections 10, 12 & 17

Other – DNRC trust land administration diversion ([77-1-108, MCA](#) & [77-1-109, MCA](#))
DNRC land bank administration diversion ([77-2-362, MCA](#))

Applicable Tax Rates: N/A

Collection Frequency: Monthly

Distribution

After diversions for DNRC administration, all remaining capital land grant income is deposited into a capital projects fund to be used for projects on the state capital complex in accordance with the provisions of Section 12 of the *Enabling Act*.

Forecast Risks

- Prices and rental charges set by the Board of Land Commissioners
- Commodity prices and production
- Administration costs

Revenue Estimate Methodology

The estimate for interest and income from the capital land grant trust determines the net amount of revenue that will be distributed to the trust beneficiary. Since all of the trust income is distributed, the trust has no monetary corpus.

Data

Data from SABHRS provide a history of each individual interest and income revenue component. Department of Natural Resources and Conservation (DNRC) annual reports and other data provide additional information such as mineral prices and production. Budget submissions on the state budgeting system (MBARS) provide anticipated diversions.

Analysis

The estimate is produced by estimating the revenue components and then subtracting estimated diversion amount. The revenue components for this source are made up of timber, grazing, and agricultural fees, oil and gas bonuses, leases and penalties, mineral royalties and miscellaneous rentals. They are typically estimated using a moving average of recently completed fiscal years' collections. DNRC's estimated operational costs are used for the forecast of diversion amounts.

Interest Earnings

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Revenue Estimate Assumptions

FY	Total Rev. \$ Millions	GF Rev. \$ Millions	Grazing \$ Millions	Agriculture \$ Millions	O&G Lease \$ Millions	O&G Bonus \$ Millions	O&G Penalty \$ Millions
A 2002	\$1.065	\$0.000	\$0.174	\$0.031	\$0.018	\$0.002	\$0.004
A 2003	0.809	-	0.170	0.043	0.018	0.001	0.004
A 2004	1.977	-	0.132	0.088	0.018	-	0.005
A 2005	0.853	-	0.197	0.074	0.019	0.019	0.009
A 2006	1.590	-	0.210	0.063	0.019	0.051	0.010
A 2007	0.871	-	0.239	0.093	0.024	0.004	0.016
A 2008	0.983	-	0.206	0.067	0.021	0.000	0.018
A 2009	1.078	-	0.208	0.115	0.023	0.021	0.014
A 2010	1.635	-	0.185	0.087	0.027	0.032	0.014
A 2011	0.581	-	0.190	0.143	0.028	0.076	0.013
A 2012	0.610	-	0.240	0.103	0.032	0.109	0.011
A 2013	1.470	-	0.293	0.137	0.030	-	0.013
A 2014	0.666	-	0.328	0.098	0.033	0.002	0.019
F 2015	0.892	-	0.283	0.100	0.026	0.002	0.016
F 2016	1.044	-	0.300	0.099	0.027	0.002	0.017
F 2017	0.880	-	0.304	0.099	0.028	0.002	0.017

FY	Misc. Rentals \$ Millions	Res. Dev. \$ Millions	Timber Cost \$ Millions	Oil Roy. \$ Millions	Gas Roy. \$ Millions	Timber \$ Millions	Misc. \$ Millions
A 2002	\$0.215	(\$0.009)	-	\$0.003	\$0.002	\$0.769	\$0.006
A 2003	0.174	(0.009)	-	0.004	0.013	0.672	0.023
A 2004	0.183	(0.013)	(0.448)	0.003	0.028	1.231	0.847
A 2005	0.110	(0.009)	(0.169)	0.005	0.028	0.712	0.030
A 2006	0.092	(0.013)	(0.412)	0.005	0.033	1.558	0.036
A 2007	0.101	(0.014)	(0.445)	0.007	0.018	0.934	0.008
A 2008	0.115	(0.013)	(0.457)	0.008	0.023	1.072	0.006
A 2009	0.152	(0.015)	(0.709)	0.007	0.030	1.333	0.007
A 2010	0.157	-	-	0.017	0.024	1.990	0.017
A 2011	0.165	-	-	0.006	0.006	0.701	0.009
A 2012	0.267	-	-	0.006	0.005	0.742	0.016
A 2013	0.276	-	-	0.006	0.004	1.597	0.109
A 2014	0.374	-	-	0.007	0.005	0.670	0.016
F 2015	0.271	-	-	0.006	0.017	1.003	0.038
F 2016	0.297	-	-	0.006	0.018	1.090	0.045
F 2017	0.304	-	-	0.006	0.018	0.921	0.052

FY	Trust Land Admin. \$ Millions
A 2002	(\$0.151)
A 2003	(0.305)
A 2004	(0.099)
A 2005	(0.173)
A 2006	(0.063)
A 2007	(0.115)
A 2008	(0.085)
A 2009	(0.104)
A 2010	(0.915)
A 2011	(0.769)
A 2012	(0.905)
A 2013	(0.815)
A 2014	(0.887)
F 2015	(0.869)
F 2016	(0.857)
F 2017	(0.871)

