CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Land Banking Administrative Rule Changes - 2013
Proposed Implementation Date:	December 2013
Proponent:	MT Dept of Natural Resources and Conservation, Real Estate Management Bureau
Location:	Statewide
County:	Beaverhead, Big Horn, Blaine, Broadwater, Cascade, Choteau, Custer, Daniels, Dawson, Fallon, Fergus, Flathead, Gallatin, Golden Valley, Hill, Judith Basin, Lake, Lewis & Clark, Liberty, Lincoln, Madison, McCone, Meagher, Mineral, Missoula, Musselshell, Phillips, Pondera, Powder River, Powell, Prairie, Richland, Rosebud, Sanders, Sheridan, Stillwater, Sweet Grass, Toole, Valley, Wheatland, Wibaux, Yellowstone Counties

I. TYPE AND PURPOSE OF ACTION

The Department of Natural Resources and Conservation (DNRC) proposes the adoption of New Rule I through VIII, amendment of ARM 36.25.128, and repeal of ARM 36.25.131 pertaining to Land Banking sales for cabin sites and home sites.

The adoption of New Rules I through VIII is necessary in order to establish procedures for the sale of cabin sites and home sites on state land. The adoption of new rules allows DNRC to describe and define the sale process for such lands and implement the provisions of Chapter 422 of the 2013 Montana Session Laws.

The amendment ARM 36.25.128 is necessary in order to recognize and implement the procedures necessary for the provisions of Chapter 422 of the 2013 Montana Session Laws, which provide for special procedures for the sale of cabin sites and home sites upon state land.

The repeal of ARM 36.25.131 is necessary because it conflicts with New Rules I through VIII.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

DNRC prepared draft Notice of Public Hearing on Proposed Adoption, Amendment and Repeal and presented it to the State Board of Land Commissioners on September 23, 2013 for preliminary approval to begin the rule making process. Sponsoring legislators of Senate Bill 369 legislation were notified of the proposed rule amendments by e-mail on September 6, 2013.

A Notice of Public Hearing on Proposed Adoption, Amendment and Repeal was filed with the Secretary of State's Office on October 7, 2013. The Notice was published in the Montana Administrative Register on October 17, 2013.

Two public hearings were held on the proposed rule amendments. The first was held at 7:00 PM on November 6, 2013 at the Sullivan Memorial Community Hall, located at 3248 Highway 83, in Seeley Lake, Montana. The second was held at 1:00 PM on November 8, 2013 in the Director's Conference Room, DNRC located at 1625 11th Avenue, in Helena, Montana.

The public comment period on the proposed rule amendments was open until 5:00 on November 14, 2013. No comments regarding the MEPA process were received. All comment received on the Administrative Rulemaking process will be addressed through the Notice of Adoption.

OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Adopt new rules to establish procedures for the sale of cabin sites and home sites, amend ARM 36.25.128 to recognized and implement the procedures necessary for the provisions of Chapter 422 of the 2013 Montana Session Laws and repeal ARM 36.25.131 because it conflicts with the new rules.

No Action Alternative: Defer adoption of the new rules, amendment of ARM 36.25.128 and repeal of ARM 36.25.131. This alternative would fail to give the department guidelines to describe and define the sale process specific to cabin sites and home sites. It would also leave program processes in place that are less efficient or practical to implement.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:
Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects to geology and soil quality, or stability under the action or no action alternative.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:
Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects to water quality, quantity and distribution under the action or no action alternative.

6. AIR QUALITY:
What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects to air quality under the action or no action alternative.

7. VEGETATION COVER, QUANTITY AND QUALITY:
What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct, indirect or cumulative effects are anticipated to occur to vegetation as a result of the action or no action alternative.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects to terrestrial or avian life and habitat under the action or no action alternative.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:
Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, in-direct or cumulative effects to aquatic life or fish with implementation of the action or no-action alternatives.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:
Identify and determine effects to historical, archaeological or paleontological resources.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct or cumulative impact to historical or archeological sites is anticipated as a result of the action or no action alternative.

11. AESTHETICS:
Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct or cumulative impact to aesthetics is anticipated under the action or no action alternative.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects on environmental resources of land, water, air or energy under the action or no action alternative.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Proposed Alternative/No Action Alternative:
Asset Management Plan, Habitat Conservation Plan, Real Estate Management Plan apply to trust lands statewide.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects anticipated as result of the action or no action alternative

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

Proposed Alternative/No Action Alternative:

No changes in the existing land use practices of nominated parcels are expected and existing land use would continue whether land is sold or not sold. No direct or cumulative impact to human health and safety would occur under either alternative.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct or cumulative impacts are anticipated to industrial, commercial and agriculture activities and production would occur as a result of either alternative.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects on the quantity and distribution of employment under the action or no action alternative.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Proposed Alternative:
Cabin site and home sites on state land are valued at approximately $77,444,397 based on the 2009 reappraisal cycle completed by the Department of Revenues. The sale of these parcels would increase the tax revenues in the affected counties by adding the value of these lands to the county tax rolls.

No Action Alternative:
Lands would continue to be exempt from taxes and no additional revenue would be added to the local and state tax base.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects anticipated as result of the action or no action alternative.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Proposed Alternative/No Action Alternative:

The existing land use practices of cabin and home sites are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects anticipated as result of the action or no action alternative

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Proposed Alternative/No Action Alternative:

Cabin site and home sites are administratively closed to public recreational use.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There would be no expected direct, indirect, or cumulative effects on access to and quality of recreational and wilderness activities as result of the action or no action alternative.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct or cumulative impact to density and distribution of population and housing would occur under either alternative

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. Either alternative would not directly or cumulatively impact native, unique or traditional lifestyles or communities.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

Proposed Alternative/No Action Alternative:

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. Either alternative would not directly or cumulatively impact cultural uniqueness or diversity.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Pursuant to the current Land Banking Administrative Rules, sale proceeds used for purchasing replacement lands must produce an equal or greater return to the trust beneficiaries than those lands sold. The exact rate of return on acquired parcels is unknown until replacement lands have been purchased.

The total value of 776 residential lease sites according to the Montana Department of Revenues' 2009 reappraisal cycle is $77,444,397.

No Action Alternative:
Under the no action alternative the department would not establish new rules to define and describe the sale process for cabin sites and home sites on state lands.

Proposed Action Alternative:
Adoption of new rules would allow DNRC to describe and define the sale process for cabin sites and home sites on state land and implement the provisions of Chapter 422 of the 2013 Montana Session Laws. Sale funds would be reinvested to generate equal or greater income for the trust beneficiaries.

EA Checklist Prepared By:	**Name:**	Emily Cooper	**Date:**	11/26/2013
	Title:	Lands Section Supervisor, Real Estate Management Bureau		

V. FINDING

25. ALTERNATIVE SELECTED:
I have selected the proposed action alternative. Adoption of new rules would allow DNRC to describe and define the sale process for cabin sites and home sites on state land and implement the provisions of Chapter 422 of the 2013 Montana Session Laws. Sale funds would be reinvested through the Land Banking program to generate equal or greater income for the trust beneficiaries; or sale proceeds could be deposited into the beneficiaries Permanent Trust account, whichever action is most appropriate.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the potential environment effects and have determined significant environmental impacts would not result from the adoption of the proposed rules, or amendment or repeal of existing rules.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

EA Checklist Approved By:	**Name:**	John Grimm		
	Title:	Real Estate Management Bureau Chief		
Signature:	\s\ John Grimm		**Date**:	11/27/2013

LAND BANKING SCOPING LIST

NAME OR AGENCY	ADDRESS
NEGOTIATED RULEMAKING COMMITTEE	
Anne Hedges	Montana Environmental Information Center PO Box 1184 Helena, MT 59624
Bill Orsello/Stan Frasier	Montana Wildlife Federation PO Box 1175 Helena, MT 59624
Bob Vogel	Montana School Boards Association 863 Great Northern Blvd., Ste 301 Helena, MT 59601-3398
Daniel Berube	27 Cedar Lake Dr. Butte, MT 59701
Julia Altermus	Montana Wood Products PO Box 1967 Missoula, MT 59806
Harold Blattie	Montana Association of Counties 2715 Skyway Dr. Helena, MT 59601
Jack Atcheson, Sr.	3210 Ottawa Butte, MT 59701
Janet Ellis	Montana Audubon PO Box 595 Helena MT 59624
Leslie Taylor	MSU Bozeman P.O. Box 172440 Bozeman, MT 59717-0001
Jake Cummins	MT Farm Bureau Federation 502 S 19th, SUITE 104 BOZEMAN MT 59718
Kyle Hardin	Matador Cattle Co. 9500 Blacktail Rd. Dillon, MT 59725
Rosi Keller	University of Montana 32 Campus Dr. Missoula, MT 59812-0001

TRUST BENEFICIARIES	
Common Schools	Denise Juneau, Superintendent Office of Public Instruction BOX 202501 Helena, MT 59620-2501
University of Montana	Rosi Keller University of Montana 32 Campus Dr. Missoula, MT 59812-0001
MSU Morrill	Leslie Taylor Montana State University P.O. Box 172440 Bozeman, MT 59717-0001
MSU 2nd Grant	Leslie Taylor Montana State University P.O. Box 172440 Bozeman, MT 59717-0001
School for Deaf & Blind	Steve Gettel, Superintendent School for Deaf & Blind 3911 Central Ave Great Falls MT 59405-1697
School of Mines	Don Blackketter, Chancellor Montana Tech 1300 W Park Street Butte MT 59701
State Normal School	Richard Storey, Chancellor University of Montana Western 710 South Atlantic Dillon MT 59725
State Normal School	Dr Rolf Groseth, Chancellor Montana State University Billings 1500 N 30th Street Billings MT 59101
Public Buildings	Budget Director Office of Budget & Program Planning PO Box 200802 Helena MT 59620-0802
Veterans Home	Richard Opper, Director DPHHS Veterans' Home Trust Beneficiary PO Box 4210 Helena MT 59620-4210
State Industrial School	Mike Batista, Director Department of Corrections PO Box 201301 Helena MT 59620-1301

GOVERNMENTAL ENTITIES	
FWP	Dept of Fish, Wildlife & Parks Attn: Hugh Zackheim PO Box 200701 Helena, MT 59620-0701 FWP Regional Supervisor & Regional Biologist – mailing addresses can be found at: http://fwp.mt.gov/default.html, by clicking the region where your parcel is located, on the **Regional Information** map.
DEQ	Dept. of Environmental Quality Attn: Bonnie Lovelace PO Box 200901 Helena, MT 59620-0901
MT DOT	Dept of Transportation Attn: Carla Haas PO Box 201001 Helena, MT 59620-1001
County Commissioners	Mailing addresses for County Commissioners can be found at: http://maco.cog.mt.us/pages/COUNTIES.htm
Legislative members for the district where the property is located.	Mailing addresses for Representatives and Senators can be found at: http://nris.mt.go/gis/legislat/2013/

DNRC	**Sonya Germann** Forest Management Bureau MT DNRC – TLMD 2705 Spurgin Road Missoula, MT 59804 sgermann@mt.gov **Monte Mason** Minerals Management Bureau MT DNRC – TLMD 1625 11th Ave Helena, MT 59620 mmason@mt.gov **Kevin Chappell** Ag & Grazing Bureau MT DNRC – TLMD 1625 11th Ave Helena, MT 59620 kchappell@mt.gov **John Grimm** Real Estate Management Bureau MT DNRC – TLMD 1625 11th Ave Helena, MT 59620 jgrimm@mt.gov **Mike O'Herron** Planning Section Supervisor MT DNRC – TLMD 2705 Spurgin Road Missoula, MT 59804 moherron@mt.gov **Will Wood** Assessment Program Manager MT DNRC FAMB wwood@mt.gov **Amy Helena** Forest Management Planner Forest Management Bureau MT DNRC – TLMD 2705 Spurgin Road Missoula, MT 59804 AHelena@mt.gov
OTHER INTERESTED PARTIES	
All persons holding a License on the Parcel	TLMS
Any surface lessees	TLMS

All adjacent landowners of record	Mailing addresses for adjacent landowners can be derived from the Montana Cadastral Mapping site @ http://gis.mt.gov/
Other parties that have expressed interest of being notified of Land Banking sales	Addresses for these parties would be kept locally.
Craig Sharpe and Larry Copenhaver, Montana Wildlife Federation	lcopenhaver@mtwf.org csharpe@mtwf.org PO Box 1175 Helena, MT 59624
Glen Marx, Executive Director Montana Association of Land Trust (MALT)	PO Box 675 Whitehall, MT 59759 malt@jeffersonvalley.net