

**Department of Natural Resources and Conservation**  
**Report to the Environmental Quality Council on**  
**SB369 Cabin and Home Site Sales**  
**July 2016**

**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 additional cabin and home sites per year for 2016 and 2017.

**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 21, Echo Lake	Montana Tech	\$460,000	\$240,000	\$5,299
Lot 16, Elbow Lake	Pine Hills	\$150,000	\$45,000	\$22,620
Lot 13, Morrell Flats	MSU	\$50,000	\$100,000	\$0
Lot 6, Bear Canyon	Western/Eastern	\$17,500	\$415,000	\$4,000
	Montana Tech	\$52,500		\$0
Lot 6, Beaver Lake	Montana Tech	\$176,000	\$39,000	\$126,380
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 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 11, Morrell Flats	MSU	\$50,000	\$103,000	\$0

- The Department's portion of processing costs for cabin/home site sales as of June 30, 2016 is approximately \$28,000. These costs include appraisal fees, land surveys, marketing and closing costs.
- In August 2015, the department sent a letter to 750 lessees and improvement owners explaining the sale program and soliciting interest for 2016 & 2017. 201 responses were received and the department selected 104 lots to move forward in 2016 & 2017.

**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	177	307.72	\$27,926,937
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	260	517.39	\$22,641,813
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
<b>Totals</b>	<b>759</b>	<b>1,899.66</b>	<b>\$65,643,828</b>

**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	294	522.61	\$35,419,058
Southern	15	84.92	\$411,402
Southwestern	347	649.03	\$26,138,738
<b>Totals</b>	<b>759</b>	<b>1,899.66</b>	<b>\$65,643,828</b>

**Cabin & Home Sites – by Grant**

Grant	# of Sites	# of Acres	2014 DOR Value
MSU – 2 <sup>nd</sup> Grant	204	438.74	\$18,369,726
MSU - Morrill Trust	2	6.0	\$226,600
Common Schools	311	1,005.65	\$22,738,107
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	100	152.21	\$17,446,399
Eastern/Western	11	19.0	\$873,110
Pine Hills	36	53.38	\$2,486,140
University of Montana	1	5.0	\$118,263
<b>Totals</b>	<b>759</b>	<b>1,899.66</b>	<b>\$65,643,828</b>