



MONTANA LEGISLATIVE BRANCH

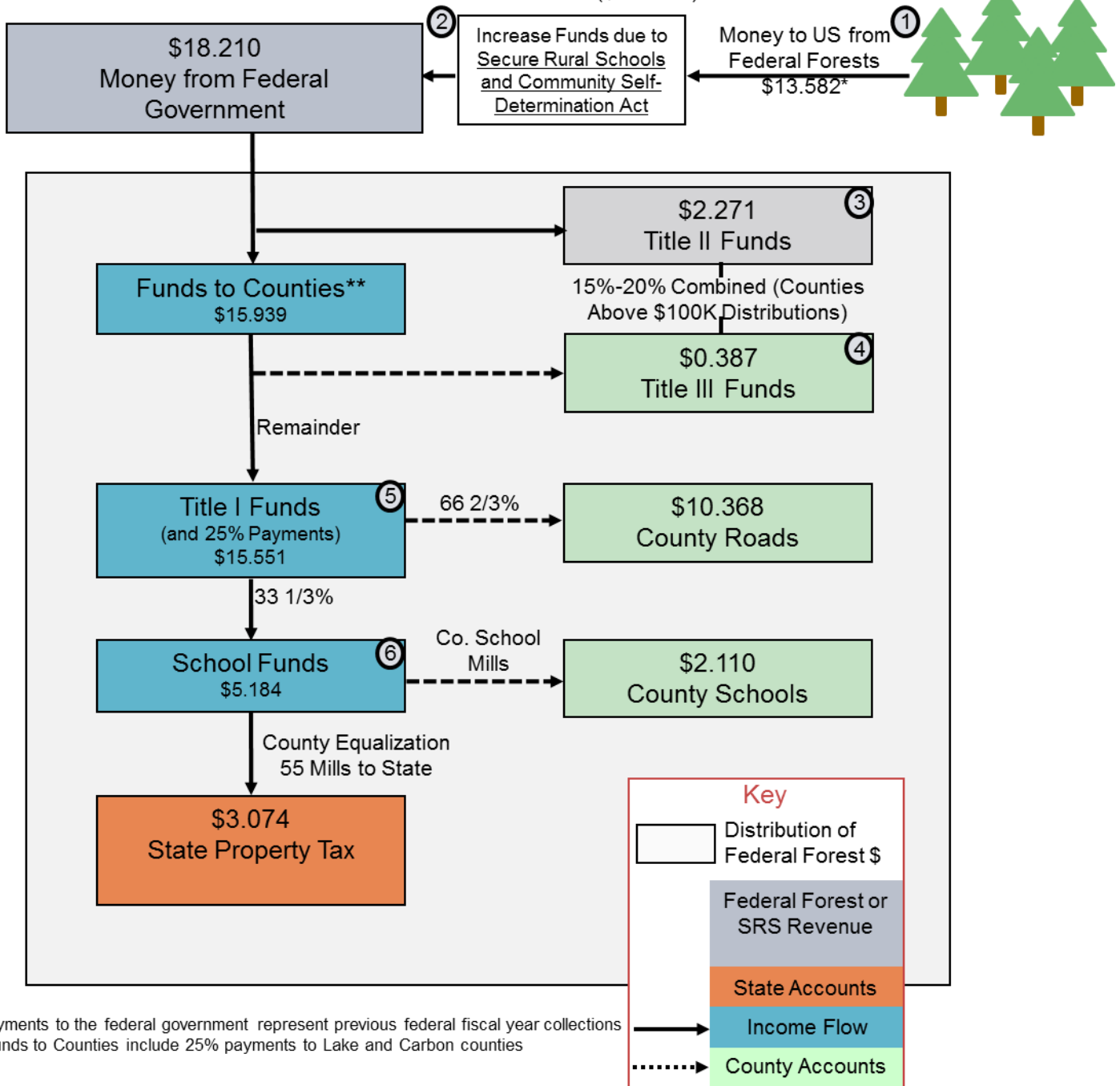
Legislative Fiscal Division

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Director
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FEDERAL FOREST RECEIPTS

FY 2016 (\$ Millions)



Federal Forest Receipts

1 Federal forest receipts are payments from the federal government in lieu of revenues from the sale of forest products of federal land. The federal government authorizes logging operations on forest lands located within the borders of Montana. The sale of timber generates revenue that the federal government shares with the state in the following year.

2 As timber sales began declining, the 25% revenue share that counties had been receiving began to shrink. To help counties with these declining payments the [Secure Rural Schools and Community Self-Determination Act](#) (SRS) was passed by congress. This buoyed the payments being made to federal timber production counties and has been reauthorized several times. The Secure Rural Schools Act was reauthorized for two years by section 524 of P.L. 114-10, this extended secure rural school payments through fiscal year 2016 after which payments will return to the 25% revenue share.

3 [Title II Funds](#) are one of three areas where the SRS funds are distributed for specific usage. Title II funds specifically are for special projects on federal land. These projects are directed towards maintaining infrastructure, implementing stewardship objectives, and improving land health and water quality. Title II funds, in combination with Title III funds, must make up between 15% and 20% of total funds for federal distributions over \$100,000. Typically 15% of total funding is dedicated to combined Title II and Title III funds. Also, if a county distribution is above \$350,000, at least 8% of the total must be directed to Title II funds. Title II funds are different from Title I and Title III funds in that they do not go directly to the county but are held in special accounts for projects recommended by resource advisory committees and approved by the Forest Service.

4 [Title III Funds](#) are the other portion of the 15% distribution (with the Title II Funds) for counties above \$100,000. Title III funds are directed to the eligible counties and can be used for Firewise Communities programs, wildfire protection plans, and search and rescue activities.

5 [Title I Funds](#) are the majority of federal forest disbursements. They include 100% of disbursements for counties who receive less than \$100,000 and 85% of disbursements for counties that receive more than that. The funds shown on the chart also include the 25% payments to Carbon and Lake Counties, this is a payment option exercised by these two counties in lieu of the SRS payment. These funds must be split 2/3 to the county general road fund and 1/3 to the countywide school levies, as described in [17-3-213 MCA](#).

6 The payments that are available for county school funds are distributed proportionally among county education mills. These mills are comprised high school and elementary equalization mills (often referred to as the state 55 mills), the county transportation mills, and the county high school and elementary school retirement mills. This funding pays a portion of education mills within eligible counties, and directs a portion of the disbursement to the state through the 55 mills. The portion which goes to the state, shown in the orange box, is non-levy property tax revenue and is used for revenue estimating purposes.

Federal Forest Payments by County

State Fiscal Year 2016 (Includes 25% Payments, Title I, and Title III)

BEAVERHEAD	\$925,236.54
BROADWATER	\$156,721.59
CARBON	\$30,675.24
CARTER	\$35,041.81
CASCADE	\$127,058.86
CHOUTEAU	\$38,343.15
DEER LODGE	\$180,247.28
FERGUS	\$78,403.10
FLATHEAD	\$1,435,789.69
GALLATIN	\$366,170.17
GLACIER	\$34,384.56
GOLDEN VALLEY	\$15,667.96
GRANITE	\$552,033.47
JEFFERSON	\$287,772.95
JUDITH BASIN	\$119,955.85
LAKE	\$31,656.66
LEWIS & CLARK	\$620,096.52
LINCOLN	\$3,860,416.44
MADISON	\$409,482.02
MEAGHER	\$306,012.35
MINERAL	\$828,138.90
MISSOULA	\$762,196.20
PARK	\$509,985.49
PONDERA	\$76,571.59
POWDER RIVER	\$243,202.08
POWELL	\$699,097.22
RAVALLI	\$895,745.00
ROSEBUD	\$86,848.78
SANDERS	\$1,680,664.39
SILVER BOW	\$98,696.21
STILLWATER	\$110,048.13
SWEET GRASS	\$160,031.22
TETON	\$118,637.30
WHEATLAND	\$57,792.48