

Building Trust

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LINCOLN INSTITUTE
OF LAND POLICY

The [State Trust Lands Project](#) quarterly e-news alert, **Building Trust**, provides land use information and tools, shares research and policy analyses, highlights innovative approaches to trust land management, and discusses state trust land laws and regulations to assist trust land managers and engaged stakeholders in meeting their fiduciary duty in the changing West. **Please forward this alert to interested colleagues.**

NEW RULES FOR MONTANA STATE TRUST LANDS

[New rules](#) governing the sale or development of 5.2 million acres of state trust lands were approved unanimously by the bi-partisan Montana Land Board in December 2008. The rules will move the [Montana Department of Natural Resources and Conservation](#) (DNRC) toward focusing primarily on two types of development on state trust lands: smart growth development in urban growth areas and cluster developments in rural areas that leave at least 75 percent of the land as permanent open space. These types of development will help to provide the Montana school trust with the greatest income per acre of state lands developed or sold.



Photo: Montana DNRC

Not only do the state trust lands generate revenue for education, but they also provide working lands, wildlife habitat, open space and recreational opportunities. The new rules will help to ensure that much of the state's rural inventory of land remains in traditional uses, such as agriculture and timber, by authorizing and incentivizing DNRC to focus on urban development and to use transfer development rights, purchase of development rights and cluster developments.

Additionally, the new rules will engage communities in planning with DNRC for nearby state trust lands, focus development in and around towns and help guarantee that schools reap the most value for the fewest number of acres sold or developed—preserving the corpus of the trust for longer term asset management. The rules also apply development standards, effectively keeping development out of floodplains, wildland urban interface areas, critical wildlife habitat and off steep slopes.

The Lincoln Institute of Land Policy – Sonoran Institute Joint Venture has been involved since the beginning in the process leading to the new rules. Tim Davis, director of the Sonoran Institute's [Montana Smart Growth Coalition](#), took an active role working with DNRC staff to draft the new rules and the 2005 Record of Decision on which the rules are based.

"We commend the Montana Land Board for its foresight and stewardship in adopting rules that recognize the importance of managing state trust lands to promote smart growth principles and community involvement," said Susan Culp, Joint Venture Project Manager.

Across the West

Utah: The Trust Lands Administration issued the first lease for a [wind-energy farm](#) on a 1,560-acre parcel to a First Wind Energy, LLC subsidiary in January. Expected to generate several million dollars in revenue over the 30-year lease, the project will supply power to Los Angeles, Burbank and Pasadena in California.

Oregon: The BLM announced the transfer of the [640-acre Juniper Canyon](#) parcel in central Oregon to the Department of State Lands in February in commemoration of the state's 150th birthday. Located near Prineville, the juniper- and sage-covered land surrounded by privately owned property was transferred to satisfy part of the state's entitlement to 5,202 acres of "in lieu" land resulting from a [1991 federal court decision](#).

Wyoming: A [bill backed by ranching industry groups](#) to cap the amount that can be bid for grazing leases on state trust lands has passed the Wyoming House and Senate and is expected to go to Gov. Dave Freudenthal for signing. There are about 4,000 grazing leases on 3.6 million acres of school trust land managed by the [Board of Land Commissioners](#). State law already gives leaseholders preferential rights to renew their leases every 10 years and the opportunity to match any competing bid—and it limits leases to agricultural use. The Wyoming PTA said the bill reduces income from the lands to benefit a group other than the schoolchildren beneficiaries. Read the [House bill](#).

News From the Field

If your office has trust land management information and tools in asset management, collaborative planning, real estate development, and/or conservation use which you would like to share, please send us an [email](#). Attach a news release or documents.



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