

DEPARTMENT OF TRUST LANDS

State land lease income - The Department of Trust Lands manages permanent trust assets consisting of 696,812 surface acres and 1.8 million mineral acres. Surface acres are leased to ranchers and farmers across the state and mineral acres are offered for oil, gas, coal, gravel, and scoria leasing.

The tables below show revenues generated from the lease of state land for fiscal years 2008 through 2011 and provides an estimate for fiscal year 2012.

Surface Lease Rents Net of In Lieu Property Taxes					
Trust Fund	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 Estimate ¹
Capitol building	\$91,579	\$91,161	\$99,146	\$99,342	\$104,275
Permanent trusts					
Common schools	4,547,056	4,546,916	4,869,891	5,036,265	5,195,590
Other permanent	590,210	587,858	644,363	653,046	680,068
Total	\$5,228,845	\$5,225,935	\$5,613,400	\$5,788,653	\$5,979,933
Percentage increase (decrease)		(-0.1%)	7.4%	3.1%	3.3%

¹Fiscal year 2012 is an estimate based on actual collections received through April 2012. Surface lease rentals are expected to grow by an average of 3 to 4 percent annually going forward.

Oil and Gas Royalties					
Trust Fund	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 Estimate ²
Strategic investment and improvements ¹	\$9,179,632	\$11,639,756	\$19,698,697	\$31,813,522	\$49,791,078
Capitol building	60,789	24,672	43,935	236,411	212,012
Permanent trusts					
Common schools	43,151,050	42,560,483	58,088,507	82,850,400	115,928,564
Other permanent	4,297,844	3,319,770	6,010,412	7,749,299	11,116,249
Total	\$56,689,315	\$57,544,681	\$83,841,551	\$122,649,632	\$177,047,903
Percentage increase (decrease)		1.5%	45.7%	46.3%	44.4%

¹The strategic investment and improvements fund was formerly known as the lands and minerals trust fund.

²Fiscal year 2012 is an estimate based on actual collections received through April 2012. Revenue has increased by over 40 percent in each of the past three fiscal years and is expected to increase going forward but at a lower percentage due to the higher base levels from which the rate is calculated.

Oil and Gas Lease Bonuses					
Trust Fund	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 Estimate ²
Strategic investment and improvements ¹	\$3,833,070	\$7,082,402	\$95,800,380	\$101,570,331	\$57,487,907
Capitol building	624,333	58,678	1,344,085	91,536	28,540
Permanent trusts					
Common schools	8,215,490	17,645,286	187,128,938	62,083,368	60,554,457
Other permanent	882,153	917,307	9,773,131	9,666,334	7,326,827
Total	\$13,555,046	\$25,703,673	\$294,046,534	\$173,411,569	\$125,397,731
Percentage increase (decrease)		89.6%	1,044.0%	(-41.0%)	(-27.7%)
¹ The strategic investment and improvements fund was formerly known as the lands and minerals trust fund.					
² Fiscal year 2012 is an estimate based on actual collections received through April 2012. Oil and gas lease bonus payments are one-time payments that are collected at the time a lease is issued. The bonus collected is based on the number of acres leased. If a well is drilled on leased minerals, no additional bonus will be collected from those minerals as long as production continues. Because most of the Department of Trust Land's inventory of minerals in prime oil country has now been leased, it is expected that lease bonus revenues will decline substantially going forward.					