



DECISION NOTICE

I O U Ranch Habitat Conservation Lease Project

June 20, 2025

ACTION

Decision Notice (DN). Pursuant to the Montana Environmental Policy Act or MEPA, Montana Fish, Wildlife & Parks (FWP) shall prepare a DN for the proposed action. The DN must identify the agency decision, the reasons for the decision, and any special conditions surrounding the decision or its implementation.

BACKGROUND AND AUTHORITY

According to the applicable requirements of MEPA, and its implementing rules and regulations, before a proposed action may be approved, environmental review must be conducted to identify, consider, and disclose any potential impacts of the proposed action on the affected human environment. The level of environmental review will vary with the complexity and seriousness of environmental issues associated with a proposed action. The level of public interest will also vary. The agency is responsible for adjusting public review to match these factors. *Title 75, Chapter 1, Parts 1 through 3, Montana Code Annotated (MCA)*.

On August 12, 2022, following MEPA's required public participation process, FWP published their decision to approve a *Programmatic Environmental Assessment or Programmatic EA* prepared and publicly processed to identify, consider, and disclose any potential impacts of FWP's *Habitat Conservation Lease Program or HCLP* on the affected human environment. A copy of the subject *Programmatic EA* and associated *DN* are available for review [\[https://fwp.mt.gov/conservation/habitat/habitat-conservation/lease-program\]](https://fwp.mt.gov/conservation/habitat/habitat-conservation/lease-program). The approved *Programmatic EA* and § 87-1-241, *MCA*, require FWP serve public notice for each specific HCLP project covered under the scope of the approved *Programmatic EA* each time a specific HCLP project is proposed and recommended for approval. A copy of the required public notice for I O U Ranch Habitat Conservation Lease Project is available for review <https://fwp.mt.gov/news/public-notices>.

Further, pursuant to *ARM 12.2.440(1)(a)*, on May 12, 2023, following MEPA's required public participation process, FWP approved a *Supplemental Programmatic EA* proposing various changes to the *HCLP*, as initially detailed and approved by the *Programmatic EA*. More specifically, the *Supplemental Programmatic EA* proposed changes to the payment level for participation in the *HCLP* and added a penalty-free *HCLP* buy out provision. A copy of the *Supplemental Programmatic*

EA and associated DN are available for review <https://fwp.mt.gov/conservation/habitat/habitat-conservation/lease-program>.

FWP determined the proposed I O U Ranch Habitat Conservation Lease Project falls within the scope of the approved *Programmatic EA*, as modified by the *Supplemental Programmatic EA*. Therefore, with consideration for the above-cited, prior programmatic review of the *HCLP*, and pursuant to *ARM 12.2.430, General Requirements of the Environmental Review Process*, the I O U Ranch Habitat Conservation Lease Project has met all obligations for approval pursuant to MEPA and § 87-1-241, MCA.

DESCRIPTION OF PROPOSED ACTION

Detailed information concerning the I O U Ranch Habitat Conservation Lease Project, including the public notice and map materials, is available for review at <https://fwp.mt.gov/binaries/content/assets/fwp/news/public-notices/2025/statewide/hcl/r7/iou-notice-5.20.25.pdf>.

PUBLIC INVOLVEMENT

The public process for the *Programmatic EA*, *Supplemental Programmatic EA*, and their respective *DNs* is detailed within those respective process documents, see links above. Also, specific to the proposed action, and pursuant to § 87-1-241, MCA, a 30-day public comment period was announced on May 20, 2025 and a public meeting was held at the Montana Fish, Wildlife & Parks Region 7 Headquarters on June 10, 2025. Public notice was sent through FWP's regional distribution lists as well as to owners of neighboring properties.

PUBLIC COMMENT AND FWP RESPONSE

FWP received substantive public comments on the proposed action. A substantive public comment was defined as the identification of the proposed action, or elements of the proposed action, as being outside the scope of the *Programmatic EA* and/or *Supplemental Programmatic EA* previously prepared and publicly processed for approval of the *HCLP* program. The following provides the public comments received and FWP response(s):

Comment: Maps in documents are small, showing acreage involved, but lack context for the surrounding area. Need a second, larger map to show the location and context of the surrounding lands.

FWP Response: The public notice includes the legal land description (township, range, and section) along with an inset map showing the property's location within the state. Members of the public can use this information— together with resources like Montana Cadastral—to look up the exact location.

Comment: Each lease assessment poses seven basic questions, stating that all other aspects are covered by a programmatic environmental assessment (PEA) and a supplemental 1 environmental

assessment (SEA) at the outset of the program. The notice posted now is just to inform neighbors and the public.

FWP Response: The Montana Environmental Policy Act (MEPA) and its implementing rules and regulations require different levels of environmental review, depending on the proposed project, significance of potential impacts, and the review timeline. We provide the information required for a checklist EA for each individual lease included in the public notice as a part of the public review process. The 7 items in the checklist EA contained in the public notice ensure each individual proposed lease fits the parameters of the PEA and SEA.

Comment: Many acreages are fragmented into smaller parcels. Is the “Edge effect” factored into the assessment of habitat effectiveness?

FWP Response: The goal of the HCL program is to enroll substantial blocks of priority habitats into long-term conservation while supporting working lands. A competitive ranking system is used to determine which Habitat Leases may be funded. A part of this ranking includes the properties’ configuration (scattered blocks or contiguous) and size. The minimum acres that can be enrolled for an individual parcel is 320 acres. The surrounding landownership and its protections are also considered.

Comment: Most properties show an overall recreation use allowance (in days). Hunting, which will be the primary use on most lands, is about 1/3 of the total. Is there that much non-hunting recreational demand? The lease states that the landowner can provide additional recreation opportunities through hunting, but does not require them to do so. One lease says recreation will be administered through Type 1 BMA. How many of the properties in question will be in BMA? That means they receive payment for the lease and also receive compensation through BMA.

FWP Response: The HCL agreements include a public recreation access requirement with the number of recreation days determined for each agreement using a standard formula. Since this program is new, we are unable to determine how much recreation has been provided for non-hunting days at this time. FWP does recognize the value of other types of recreation for people of Montana and is excited to provide additional public access opportunities to fishermen, birdwatchers, hikers, and other outdoor recreationists. It is the landowner’s discretion if they want to provide this alternative recreational use or have all required access as hunting days.

Comment: One lease says recreation will be administered through Type 1 BMA. How many of the properties in question will be in BMA? That means they receive payment for the lease and also receive compensation through BMA.

FWP Response: Habitat Conservation Leases (HCL) do not preclude landowners from enrolling in FWP’s Block Management Program. The programs are separate and complimentary. The Block Management Program is one method landowners may choose to help manage access. Block Management pays for the impact of hunters, provides signage, maps, and rules, and other services to help landowners manage hunters. The Habitat Conservation Lease program pays for the voluntary conservation of important grassland and wetland habitats, while also requiring a specified number of public access days. The lease payments are not providing funding to mitigate potential impacts of that public use, regardless of the landowners’ willingness to allow more public

use than what the lease stipulates. For these reasons, FWP views these programs as addressing different issues, allowing landowners the option of participating in both programs if they choose.

This lease is not currently enrolled in Block Management Type 1 or 2.

Comment: The lease cost is not displayed in the document.

FWP Response: There are still minor flexibilities that may occur during the public process and review. Minor adjustments to acres, exclusions, or modified terms based on public comment and landowner negotiations may occur. Therefore, we are cautious about publishing a dollar amount that may shift before the Commission makes its final decision. The approximate acres by habitat type are listed and the value for each habitat type is readily available and published at multiple locations. As a result, calculating the estimated cost for each individual lease is relatively straightforward for those who wish to know.

Comment: Consider developing a statewide dashboard to track leases and their associated costs and benefits.

FWP Response: Thank you for your comment. FWP will continue working to improve the program and will take your suggestion into consideration.

Comment: Please let us know how monitoring and compliance will be handled and communicated to the general public throughout the full terms of the leases.

FWP Response: Compliance monitoring will follow the approach outlined in the Programmatic EA Decision Notice. FWP will monitor compliance with Habitat Conservation Lease Agreements every other year, alternating between use of aerial monitoring and in-person visits. Results may be made available to the public through the public records request process.

DECISION

FWP reviewed the proposed action and all public comments received in response to the proposed action. Based on this review, and pursuant to the applicable requirements of MEPA and § 87-1-241, MCA, FWP hereby recommends approval of the proposed I O U Ranch Habitat Conservation Lease Project pursuant to § 87-1-209, MCA, approval of the proposed action is a function of the Montana Fish & Wildlife Commission and the Montana Land Board.

Sincerely,



Brad Schmitz
Region 7 Supervisor
Montana Fish, Wildlife & Parks