

1 HOUSE BILL NO. 207
 2 INTRODUCED BY Admitt, [Signature]
 3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE
 6 DEPOSIT REQUIREMENT FOR THE LESSEE OF A STATE AGRICULTURAL
 7 GRAZING LEASE WHO EXERCISES HIS PREFERENCE RIGHT TO MEET A
 8 HIGH BID AND REQUESTS A HEARING TO HAVE THE BID RATE
 9 LOWERED; AND AMENDING SECTION 77-6-205, MCA."
 10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 77-6-205, MCA, is amended to read:
 13 "77-6-205. Renewal leases. (1) A lessee of state land
 14 classed as agricultural, grazing, town lot, city lot, or
 15 land valuable for commercial development who has paid all
 16 rentals due from him to the state or who has voluntarily
 17 terminated a lease under 77-6-116 is entitled to have his
 18 lease renewed for a period not to exceed the maximum lease
 19 period provided in 77-6-109 at any time within 30 days prior
 20 to its expiration or within 30 days following voluntary
 21 termination if no other applications for lease of the land
 22 have been received 30 days prior to the expiration of his
 23 lease or within 30 days following voluntary termination. The
 24 renewal shall must be at the rental rate provided by law for
 25 the renewal period and subject to any other conditions at

1 the time of the renewal imposed by law as terms of the
 2 lease. Except as provided in 77-6-212, if other applications
 3 have been received, the holder of the lease has the
 4 preference right to lease the land covered by his former
 5 lease by meeting the highest bid made by any other
 6 applicant. Applications for lease of lands in this section
 7 shall must be given preference in the order of their receipt
 8 at the office of the department.

9 (2) The board shall accept the highest bid. If the
 10 lessee exercises the preference right and believes the bid
 11 to be excessive, he may request an administrative hearing.
 12 The request must contain a statement of reasons why the
 13 lessee believes the bid not to be in the state's best
 14 interest ~~and--must-be-accompanied-by-a-deposit-equal-to-20%~~
 15 ~~of-the-competitive-bid-in-the-case-of-grazing-lands--and--\$1~~
 16 ~~per--acre--in-the-case-of-agricultural-lands.~~ The department
 17 shall grant the request for a hearing if it determines that
 18 the statement indicates evidence that the bid may not be in
 19 the state's best interests. The board may, after the
 20 hearing, reduce the rental from the amount bid if the lessee
 21 shows that the bid is not in the best interest of the state
 22 because it is above community standards for a lease of ~~such~~
 23 the land, would cause damage to the tract, or would impair
 24 its long-term productivity. If the board reduces the bid, it
 25 shall set forth its findings and conclusions in writing and



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1 so inform the lessee and competitive bidder of the
2 reduction. It is the duty of the board to secure the best
3 lessees possible, so that the state may receive the maximum
4 return possible with the least injury occurring to the land.

5 (3) A renewal lease may be canceled pursuant to
6 77-6-113, 77-6-208, 77-6-209, or 77-6-210 for a violation by
7 the lessee that occurred during the previous lease term but
8 no more than 3 years prior to the date on which the notice
9 of cancellation required by 77-6-211 is issued. Cancellation
10 procedures instituted but not completed before renewal are
11 applicable to the renewal lease.

12 (4) A renewal lease may be voluntarily terminated
13 pursuant to 77-6-116."

-End-

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

HOUSE BILL NO. *207*

INTRODUCED BY *Ed Smith, State Lands*
BY REQUEST OF THE DEPARTMENT OF STATE LANDS

A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE
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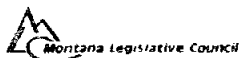
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SECOND READING



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THIRD READING

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REFERENCE BILL



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