## HOUSE BILL NO. 207

# INTRODUCED BY BARNETT, ELLIS, SPRING, HAYNE BY REQUEST OF THE DEPARTMENT OF STATE LANDS

## IN THE HOUSE

	IN THE HOUSE
JANUARY 16, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION.
	FIRST READING.
JANUARY 22, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
	PRINTING REPORT.
JANUARY 23, 1991	SECOND READING, DO PASS.
JANUARY 24, 1991	ENGROSSING REPORT.
JANUARY 25, 1991	THIRD READING, PASSED. AYES, 89; NOES, 9.
	TRANSMITTED TO SENATE.
	IN THE SENATE
JANUARY 25, 1991	INTRODUCED AND REFERRED TO COMMITTEE
51M52M(1 237 1331	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.
JANUARY 26, 1991	
	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.
JANUARY 26, 1991	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.  FIRST READING.  COMMITTEE RECOMMEND BILL BE
JANUARY 26, 1991 FEBRUARY 14, 1991	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.  FIRST READING.  COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
JANUARY 26, 1991 FEBRUARY 14, 1991 FEBRUARY 15, 1991	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.  FIRST READING.  COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.  SECOND READING, CONCURRED IN.  THIRD READING, CONCURRED IN.
JANUARY 26, 1991 FEBRUARY 14, 1991 FEBRUARY 15, 1991	ON AGRICULTURE, LIVESTOCK, & IRRIGATION.  FIRST READING.  COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.  SECOND READING, CONCURRED IN.  THIRD READING, CONCURRED IN.  AYES, 49; NOES, 0.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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1 HEUSE BILL NO. 207
2 INTRODUCED BY Advicett
3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

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

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

Section 1. Section 77-6-205, MCA, is amended to read:

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



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

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

#### LC 1269/01

so inform the lessee and competitive bidder of the reduction. It is the duty of the board to secure the best 2 lessees possible, so that the state may receive the maximum 3 return possible with the least injury occurring to the land. 5 (3) A renewal lease may be canceled pursuant to 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 no more than 3 years prior to the date on which the notice of cancellation required by 77-6-211 is issued. Cancellation procedures instituted but not completed before renewal are 10 applicable to the renewal lease. 11 12 (4) A renewal lease may be voluntarily terminated pursuant to 77-6-116." 13

-End-

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# APPROVED BY COMMITTEE ON AGRICULTURE LIVESTOCK & IRRIGATION

1 HEUSE BILL NO. 207
2 INTRODUCED BY BUZZIETT STATE LANDS
3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

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."

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

Section 1. Section 77-6-205, MCA, is amended to read:

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



lease. Except as provided in 77-6-212, if other applications 3 have been received, the holder of the lease has the preference right to lease the land covered by his former lease by meeting the highest bid made by any other applicant. Applications for lease of lands in this section shall must be given preference in the order of their receipt 7 at the office of the department. Я (2) The board shall accept the highest bid. If the 9 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 1.3 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 per--acre--in-the-case-of-agricultural-lands. The department 16 17 shall grant the request for a hearing if it determines that 18 the statement indicates evidence that the bid may not be in the state's best interests. The board may, after the 19 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

the time of the renewal imposed by law as terms of the

SECOND READING

#### LC 1269/01

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

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- (3) A renewal lease may be canceled pursuant to 77-6-113, 77-6-208, 77-6-209, or 77-6-210 for a violation by the lessee that occurred during the previous lease term but no more than 3 years prior to the date on which the notice of cancellation required by 77-6-211 is issued. Cancellation procedures instituted but not completed before renewal are applicable to the renewal lease.
- 12 (4) A renewal lease may be voluntarily terminated 13 pursuant to 77-6-116."

-End-

LC 1269/01

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1 Hause BILL NO. 207
2 INTRODUCED BY Advicett
3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

52nd Legislature

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

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

Section 1. Section 77-6-205, MCA, is amended to read:

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

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

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

THIRD READING

LC 1269/01

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. (3) A renewal lease may be canceled pursuant to 5 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

applicable to the renewal lease.

pursuant to 77-6-116."

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-End-

(4) A renewal lease may be voluntarily terminated

52nd Legislature

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24 25 HB 0207/02

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HB 0207/02

1	HOUSE BILL NO. 207
2	INTRODUCED BY BARNETT, ELLIS, SPRING, HAYNE
3	BY REQUEST OF THE DEPARTMENT OF STATE LANDS
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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
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9	LOWERED; AND AMENDING SECTION 77-6-205, MCA."
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.3	"77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all
.3 .4 .5	"77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all rentals due from him to the state or who has voluntarily
.3 .4 .5 .6 .17	*77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all rentals due from him to the state or who has voluntarily terminated a lease under 77-6-116 is entitled to have his
.3 .4 .5 .6 .17	"77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all rentals due from him to the state or who has voluntarily terminated a lease under 77-6-116 is entitled to have his lease renewed for a period not to exceed the maximum lease
.3 .4 .5 .6 .7 .18	"77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all rentals due from him to the state or who has voluntarily terminated a lease under 77-6-116 is entitled to have his lease renewed for a period not to exceed the maximum lease period provided in 77-6-109 at any time within 30 days prior

lease or within 30 days following voluntary termination. The

renewal shall must be at the rental rate provided by law for

the renewal period and subject to any other conditions at

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 $\underline{\text{must}}$ 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 andmust-be-accompanied-by-a-deposit-equal-to-20%
15	of-the-competitive-bid-in-the-case-of-grazing-landsand\$1
16	peracrein-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

the time of the renewal imposed by law as terms of the lease. Except as provided in 77-6-212, if other applications have been received, the holder of the lease has the

REFERENCE BILL

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

  (3) A renewal lease may be canceled pursuant to 77-6-113, 77-6-208, 77-6-209, or 77-6-210 for a violation by
- the lessee that occurred during the previous lease term but
- 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
  - 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.

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

-End-

TO THE TO