LC 0934/01

INTRODUCED BY Lien Bertelen Harringto, Bengton

2 3

ı

A BILL FOR AN ACT ENTITLED: MAN ACT TO REQUIRE THE BOARD OF LAND COMMISSIONERS TO LEASE STATE LAND TO THE HIGHEST BIDDER EXCEPT UNDER CERTAIN CONDITIONS: AMENDING SECTION 81-405. R.C.M. 1947."

7 8 ç

12

13

14

15

16

17

18

19 20

21 22

23

24

25

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

Section 1. Section 81-405, R.C.M. 1947, is amended to 10 11 read as follows:

#81-405. Renewal leases -- preference right of lessee -- exceptions. (1) A lessee of state land classed as agricultural, grazing, town lot or city lot, who has paid all rentals due from him to the state, and who has not violated the terms of his lease, is entitled to have his lease renewed for a five (5) or ten (10) year period 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 at any time within thirty (30) days prior to its expiration if no other applications for lease of the land have been received thirty (30) days prior to the expiration of his lease. 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 be given preference in the order of their receipt at

the office of the department.

11

12

13

14

15

17

18

5 (2) The board shall grant a lease to the highest bidder unless the department substantially proves that to do so would cause damage to the tract or impair its long-term productivity. If the board does not grant the lease to the highest bidder. It shall issue its reasons for not doing so 10 in writing.

(2)(3) Notwithstanding the foregoing provisions, the board may withdraw any agricultural or grazing land from further leasing for such period as the board determines to be in the best interest of the state. Bids for leases and applications for renewals of leases of state agricultural lands or state grazing lands shall be in writing and sealed and shall be submitted to the board at the office of the department."

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. 269-77

Form BD-15

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _ 2 ユーノフ

45th Legislature H8 0526/02

Approved by Committee on Agrigulture Livestock & Irrigation

ı	HOUSE BILL NO. 526
2	INTRODUCED BY LIEN, BERTELSEN, HARRINGTON, BENGTSON
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE BOARD OF
5	LAND COMMISSIONERS TO LEASE STATE LAND TO THE HIGHEST BIDDER
6	EXCEPT UNDER CERTAIN CONDITIONS; AMENDING SECTION 81-405,
7	R.C.M. 1947."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
o	Section 1. Section 81-405, R.C.M. 1947, is amended to
1	read as follows:
2	#81-405. Renewal leases preference right of lessee
.3	exceptions. (1) A lessee of state land classed as
4	agricultural, grazing, town lot or city lot, who has paid
.5	all rentals due from him to the state, and who has not
6	violated the terms of his lease, is entitled to have his
7	lease renewed for a five (5) or ten (10) year period at the
8	rental rate provided by law for the renewal period, and
9	subject to any other conditions at the time of the renewal
0	imposed by law as terms of the lease at any time within
1	thirty (30) days prior to its expiration if no other
2	applications for lease of the land have been received thirty
23	(30) days prior to the expiration of his lease. If other
4	applications have been received, the holder of the lease has

the preference right to lease the land covered by his former

25

lease by meeting the highest bid made by any other applicant. Applications for lease of lands in this section shall be given preference in the order of their receipt at the office of the department. 12) The board shall grant-e-lease-to-the-highest bidder-unless-the-department-substantially-proves-that-to-do 7 so-would-cause damage to the tract-or-impair-its long-term 8 productivity-If-the board does not grant the lease to the 9 highest bidderwitt shall issue its reasons for not doing so 10 in-writings ACCEPT THE HIGHEST BID. IF THE LESSEE EXERCISES 11 THE PREFERENCE RIGHT AND BELIEVES THE BID TO BE EXCESSIVE. 12 HE MAY REQUEST AN ADMINISTRATIVE HEARING. THE BOARD MAY. AFTER THE HEARING. REDUCE THE RENTAL FROM THE AMOUNT BID IF 13 THE LESSEE SHOWS THAT THE BID IS NOT IN THE BEST INTEREST OF 14 THE STATE BECAUSE IT IS ABOVE COMMUNITY STANDARDS FOR A 15 LEASE OF SUCH LAND AND WOULD CAUSE DAMAGE TO THE TRACT OR 16 17 IMPAIN ITS LONG-TERM PRODUCTIVITY. IF THE BOARD REDUCES THE BIO: IT SHALL SET FORTH ITS FINDINGS AND CONCLUSIONS IN 13 WRITING AND SO INFORM THE LESSEE AND COMPETITIVE BIDDER. 19 20 (3) WHEN THE DEPARTMENT RECEIVES AN APPLICATION TO LEASE AN UNLEASED TRACT. IT SHALL ADVERTISE FOR BIDS ON THE 21 IRACT: THE TRACT SHALL BE LEASED TO THE HIGHEST BIDDER 22 UNLESS THE BOARD DETERMINES THAT THE SID IS NOT IN THE 23 24 STATE'S BEST INTEREST FOR THE REASONS SET FORTH IN 25 SUBSECTION (2). IF THE HIGH BID IS REJECTED, THE BOARD SHALL

HB 0526/02

HB 526

- 1 SET FORTH THE REASONS FOR THE REJECTION IN WRITING. THE
- LEASE SHALL THEN BE ISSUED. AT A RENTAL TO SE DETERMINED. BY
- 3 IHE BOARD. TO THE FIRST WILLING BIDDER WHOSE NAME IS
- 4 SELECTED THROUGH A RANDOM SELECTION PROCESS FROM ALL BIDDERS
- 5 ON THE TRACT.

6 t2731(4) Notwithstanding the foregoing provisions, the
7 board may withdraw any agricultural or grazing land from
8 further leasing for such period as the board determines to
9 be in the best interest of the state. Bids for leases and
10 applications for renewals of leases of state agricultural
11 lands or state grazing lands shall be in writing and sealed
12 and shall be submitted to the board at the office of the
13 department.*

-End-

45th Legislature HB 0526/02 H6 0526/02

2 INTRODUCED BY LIEN. BERTELSEN, HARRINGTON, BENGTSON 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE BOARD OF 4 LAND COMMISSIONERS TO LEASE STATE LAND TO THE HIGHEST BIDDER 5 EXCEPT UNDER CERTAIN CONDITIONS: AMENDING SECTION 81-405. R.C.M. 1947." 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA: 9 Section 1. Section 81-405, R.C.M. 1947, is amended to 10 11 read as follows: "81-405. Renewal leases -- preference right of lessee 12 -- exceptions. (1) A lessee of state land classed as 13 agricultural, grazing, town lot or city lot, who has paid 14 all rentals due from him to the state, and who has not 15 violated the terms of his lease, is entitled to have his 16 17 lease renewed for a five (5) or ten (10) year period at the rental rate provided by law for the renewal period, and 18 subject to any other conditions at the time of the renewal 19 imposed by law as terms of the lease at any time within 20 thirty (30) days prior to its expiration if no other 21 applications for lease of the land have been received thirty 22 (30) days prior to the expiration of his lease. If other 23 applications have been received, the holder of the lease has 24

the preference right to lease the land covered by his former

HOUSE BILL NO. 526

1

25

12) The board shall grant-a-lease to-the highest bidder-unless-the-deportment-substantially-proves-that-to-do 7 so-would-cause damage to the tract-or impair its long-term productivityx-if-the-board does not grant the lease-to-the highest-biddery-it-shall-issue-its-reasons -for-not-doing-so 10 in-weitings ACCEPT THE HIGHEST BID. IF THE LESSEE EXERCISES 11 THE PREFERENCE RIGHT AND BELIEVES THE BID TO BE EXCESSIVE. 12 HE MAY REQUEST AN ADMINISTRATIVE HEARING. THE BOARD MAY. 13 AFTER THE HEARING. REDUCE THE RENTAL FROM THE AMOUNT BID IF IHE LESSEE SHOWS THAT THE BID IS NOT IN THE BEST INTEREST OF 14 THE STATE BECAUSE IT IS ABOVE COMMUNITY STANDARDS FOR A 15 LEASE OF SUCH LAND AND WOULD CAUSE DAMAGE TO THE IRACT OR 16 17 IMPAIR ITS LONG-TERM PRODUCTIVITY. IF THE BOARD REDUCES. THE BID. II SHALL SET FORTH ITS FINDINGS AND CONCLUSIONS IN 18 WRITING AND SO INFORM THE LESSEE AND COMPETITIVE BIODER. 19 20 (3) WHEN THE DEPARTMENT RECEIVES AN APPLICATION TO

21 LEASE AN UNLEASED TRACT. IT SHALL ADVERTISE FOR BIOS ON THE
22 TRACT. THE TRACT SHALL BE LEASED TO THE HIGHEST BIDDER
23 UNLESS THE BOARD DETERMINES THAT THE BID IS NOT IN THE

24 STATE'S BEST INTEREST FOR THE REASONS SET FORTH IN
25 SUBSECTION (2) • IF THE HIGH BID IS REJECTED • THE BOARD SHALL

-2-

1 SET FORTH THE REASONS FOR THE REJECTION IN WRITING. THE LEASE SHALL THEN BE ISSUED. AT A RENTAL TO BE DETERMINED BY 2 3 THE BOARD. TO THE FIRST WILLING BIDDER WHOSE NAME IS SELECTED THROUGH A RANDOM SELECTION PROCESS FROM ALL BIDDERS 5 UN THE TRACT. 6 (2)31(4) Notwithstanding the foregoing provisions, the 7 board may withdraw any agricultural or grazing land from 8 further leasing for such period as the board determines to 9 be in the best interest of the state. Bids for leases and applications for renewals of leases of state agricultural 10 lands or state grazing lands shall be in writing and sealed 11 and shall be submitted to the board at the office of the 12 13 department.*

-End-

-3-

March 17, 1977

SENATE COMMITTEE OF THE WHOLE

That House Bill No. 526 be amended as follows:

1. Amend page 3, section 1, line 3.
Following: "FIRST"

Following: "FIRST"
Strike: "WILLING"
Following: "BIDDER"

Insert: "willing to pay the board determined rental"

45th Legislature Hd 0526/03

HOUSE BILL NO. 526

INTRUDUCED BY LIEN. BERTELSEN, HARRINGTON. BENGTSON

3

1

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE BOARD OF LAND COMMISSIONERS TO LEASE STATE LAND TO THE HIGHEST BIDDER EXCEPT UNDER CERTAIN CONDITIONS; AMENDING SECTION 81-405.

s y

12

13

14

15

lь

17

ld

20

21

22

23

24

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

10 Section 1. Section 81-405, R.C.M. 1947, is amended to

*81-405. Renewal leases -- preference right of lessee == exceptions. (1) A lessee of state land classed as agricultural, grazing, town lot or city lot, who has paid all rentals due from him to the state, and who has not violated the terms of his lease, is entitled to have his lease renewed for a five (5) or ten (10) year period 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 at any time within thirty (30) days prior to its expiration if no other applications for lease of the land have been received thirty (30) days prior to the expiration of his lease. 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 be given preference in the order of their receipt at the office of the department.

(2) The board shall grant-a-lease to-the-highest <u>pidder-unless-the-department-substantially-proves-that-to-do</u> so--would--couse-domogento-the-tractror-impair-its-long-term productivity-If-the board does not great the tease to the highest-biddery-it-shell-issue-its-reasons-for-not-doing-so in-writings ACCEPT THE HIGHEST BID. IF THE LESSEE EXERCISES 10 IHE PREFERENCE RIGHT AND BELIEVES THE BID TO 3E EXCESSIVE. 11 HE MAY REQUEST AN ADMINISTRATIVE HEARING. SUCH REQUEST. MUST 12 1 ś CONTAIN A STATEMENT OF REASONS WHY THE LESSEE BELLEVES THE BID NOT TO BE IN THE STATE'S BEST INTEREST. AND MUST BE 14 ACCOMPANIED BY A DEPOSIT EQUAL TO 20% OF THE COMPETITIVE BIO 15 IN THE CASE OF GRAZING LANDS. AND \$1 PER ACRE IN THE CASE OF 16 17 AGRICULTURAL LANDS. THE DEPARTMENT SHALL GRANT THE REQUEST FOR A HEARING IF II DETERMINES THAT THE STATEMENT INDICATES 18 EVIDENCE THAT THE BID MAY NOT BE IN THE STATE'S BEST 19 INTERESTS. THE BUARD MAY. AFTER THE HEARING. REDUCE THE 20 21 RENTAL EROM THE AMOUNT BID IF THE LESSEE SHOWS THAT THE BID IS NOT IN THE BEST INTEREST OF THE STATE BECAUSE IT IS ABOVE 22 23 COMMUNITY STANDARDS FOR A LEASE OF SUCH LAND AND WOULD 24 CAUSE DAMAGE TO THE TRACT OR IMPAIR ITS LONG-TERM 25 PRODUCTIVITY. IF THE BOARD REDUCES THE BID. IT SHALL SET

HB 0526/03

1	FURTH ITS FINDINGS AND CONCLUSIONS IN WRITING AND SO INFORM
2	THE LESSEE AND COMPETITIVE BIDDER . IT IS THE DUTY DE THE
3	BOAKO 13 SECURE THE BEST LESSEES POSSIBLE. SO THAT THE STATE
4	MAY RECEIVE THE MAXIMUM RETURN POSSIBLE WITH THE LEAST
5	TWANKA JCCARLING TO THE FUND.
6	(3) WHEN THE DEPARTMENT RECEIVES AN APPLICATION ID
7	LEASE AN UNLEASED TRACI: 11 SHALL ADVERTISE FOR BIDS ON THE
d	IRACI. THE TRACT SHALL BE LEASED TO THE HIGHEST BIDDER
9	UNLESS THE BOARD DETERMINES THAT THE BID IS NOT IN THE
10	STATE'S REST INTEREST FOR THE REASONS SET FORTH IN
11	SUBSECTION (2). IF THE HIGH BID IS REJECTED. THE BOARD SHALL
12	SET_FORTH_THE_REASONS_FOR_THE_REJECTION_IN_MRITING. THE
13	LEASE SHALL THEN BE ISSUED. AT A RENTAL TO BE DETERMINED BY
14	THE BOARD. TO THE FIRST WILLING TO PAY THE
L5	BOARD DETERMINED RENTAL WHOSE NAME IS SELECTED THROUGH A
16	MANDON SELECTION PROCESS FROM ALL SIDDERS ON THE TRACT.
17	(2)(3)(4) Notwithstanding the foregoing provisions,
18	the board may withdraw any agricultural or grazing land from
19	further leasing for such period as the board determines to
20	be in the best interest of the state. 3ids for leases and
21	applications for renewals of leases of state agricultural
22	lands or state grazing lands shall be in writing and sealed

-End-

and shall be submitted to the board at the office of the

23

department.*

-3- HB 526