

HOUSE BILL NO. 391

INTRODUCED BY STOBIE, MANUEL, QUILICI, FABREGA,  
BOYLAN, MCCALLUM, H. HAMMOND, ELLISON, C. SMITH,  
JONES, STIMATZ, SALES, UNDERDAL, DONALDSON, GAGE,  
E. SMITH, HARPER, CURTISS, ROUSH, DAILY, PAVLOVICH,  
SEVERSON, J. HAMMOND, SPAETH, JACOBSEN, HOLLIDAY,  
MCBRIDE, ASAY, HEMSTAD, SCHULTZ, METCALF, RYAN,  
KEYSER, HARP, BRAND, SWIFT, VINGER, R. JENSEN,  
SOLBERG, NORDTVEDT, YARDLEY, VINCENT,  
RAMIREZ, MARKS, MENAHAN, MARBUT

IN THE HOUSE

January 19, 1983	Introduced and referred to Committee on Natural Resources.
February 10, 1983	Committee recommend bill do pass as amended. Report adopted.
February 11, 1983	Bill printed and placed on members' desks.
February 12, 1983	Second reading, do pass.
February 14, 1983	Considered correctly engrossed.
February 15, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 16, 1983	Introduced and referred to Committee on Natural Resources.
March 8, 1983	Committee recommend bill be concurrred in as amended. Report adopted.
March 10, 1983	Second reading, concurrred in.
March 12, 1983	Third reading, concurrred in. Ayes, 47; Noes, 0.

IN THE HOUSE

March 12, 1983

Returned to House with  
amendments.

March 31, 1983

Second reading, amendments  
concurred in.

April 1, 1983

Third reading, amendments  
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 *For Senate* *For House* BILL NO. 391 *McCallum*  
 2 INTRODUCED BY *Stallie* *Manuel* *Ellison*  
 3 *Underhill* *Donald* *E. Smith* *W. H. Hays*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT IF THE *Stallie*  
 5 BOARD OF LAND COMMISSIONERS ADOPTS RULES TO ESTABLISH THE *Stallie*  
 6 MARKET VALUE OF SURFACE LICENSES AND LEASES, IT ADOPT A *HARP*  
 7 METHOD OF VALUATION OF CURRENT LICENSES AND LEASES BASED *Indirectly*  
 8 UPON AN APPRAISED LICENSE OR LEASE VALUE AND A METHOD OF *Indirectly*  
 9 VALUATION OF INITIAL LICENSES OR LEASES BASED UPON A SYSTEM *Indirectly*  
 10 OF COMPETITIVE BIDDING; AND PROVIDING FOR THE VALUATION, *Indirectly*  
 11 DISPOSAL, OR PURCHASE OF FIXTURES AND IMPROVEMENTS." *Indirectly*  
 12 *Indirectly*  
 13 WHEREAS, on February 13, 1981, the Board of Land *Indirectly*  
 14 Commissioners proposed to adopt rules concerning surface *Indirectly*  
 15 licenses and leases for the use of state forest lands for *Indirectly*  
 16 grazing and recreational cabin sites by private individuals, *Indirectly*  
 17 which rules would have established the market value of *Indirectly*  
 18 grazing and recreational licenses and leases by a system of *Indirectly*  
 19 competitive bidding; and *Indirectly*  
 20 WHEREAS, the rules would have allowed out-of-state *Indirectly*  
 21 interests and other parties to increase by competitive *Indirectly*  
 22 bidding the cost of current grazing and cabin site licenses *Indirectly*  
 23 and leases and would thereby have worked a hardship on or *Indirectly*  
 24 dispossessed current licensees and lessees and were *Indirectly*  
 25 therefore subsequently withdrawn by the Board; and *Indirectly*

1 WHEREAS, the policy of this state for the leasing of  
 2 state lands as provided in 77-1-202 is that the guiding  
 3 principle in the leasing of state lands is "that these lands  
 4 and funds are held in trust for the support of education and  
 5 for the attainment of other worthy objects helpful to the  
 6 well-being of the people of this state"; and

7 WHEREAS, allowing current grazing and cabin site  
 8 licensees and lessees to continue to enjoy the benefits of  
 9 existing licenses and leases and the benefits of their labor  
 10 is a worthy object helpful to the well-being of the people  
 11 of this state in that it promotes continuity in the care of  
 12 state lands, promotes use of state lands by the public by  
 13 granting a minimal expectation of continuing enjoyment, and  
 14 promotes satisfaction with governmental processes.

15 THEREFORE, it is the intent of this bill to direct that  
 16 if the Board of Land Commissioners adopts any rules under  
 17 whatever existing rulemaking authority it may have to  
 18 establish the market value of current surface licenses or  
 19 leases, that the Board, in furtherance of the state policy  
 20 expressed in 77-1-202, adopt a method of establishing the  
 21 market values of grazing and cabin site licenses and leases  
 22 which would not cause undue disruption to the lives and  
 23 property of and useful enjoyment by current licensees and  
 24 lessees.

INTRODUCED BILL

11/15/81

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

Section 1. Method of establishing market value for licenses and leases. (1) If the board adopts, under any existing authority it may have on October 1, 1983, a method of establishing the market value of grazing and cabin site licenses or leases differing from the method used by the board on that date, the board shall under that authority establish a method for setting the market value of:

(a) each surface license or lease in effect on October 1, 1983, for each licensee or lessee who at any time wishes to continue his license or lease, which method must be based upon an appraisal of the license or lease value of the property, which value may be increased no more often than every fifth year by that percentage of increase in the consumer price index shown for such period of years; and

(b) each initial surface license or lease or current license or lease of a person who does not choose to retain the license or lease, which method must be based upon a system of competitive bidding, and thereafter for a person who wishes to retain that license or lease, under the method provided for in subsection (1)(a).

(2) If the board adopts, under whatever authority it may have on October 1, 1983, the method of valuation of surface licenses and leases required by this section, it shall also adopt under that same authority a method for the

disposal or valuation of any fixtures or improvements placed upon the property by the then-current licensee or lessee and shall require the subsequent licensee or lessee whose bid is accepted by the board to purchase those fixtures or improvements in the manner required by the board.

(3) Nothing in this section may be construed as a delegation of rulemaking authority to the board.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 77, chapter 1, part 2, and the provisions of Title 77 apply to section 1.

-End-

Approved by Committee  
on Natural Resources

HOUSE BILL NO. 391

INTRODUCED BY STOBIE, MANUEL, QUILICI, FABREGA,  
BOYLAN, MCCALLUM, H. HAMMOND, ELLISON, C. SMITH,  
JONES, STIMATZ, SALES, UNDERDAL, DONALDSON, GAGE,  
E. SMITH, HARPER, CURTISS, ROUSH, DAILY, PAVLOVICH,  
SEVERSON, J. HAMMOND, SPAETH, JACOBSEN, HOLLIDAY,  
MCBRIDE, ASAY, MEMSTAD, SCHULTZ, METCALF, RYAN,  
KEYSER, HARP, BRAND, SWIFT, VINGER, R. JENSEN,  
SOLBERG, NORDTVEDT, YARDLEY, VINCENT,  
RAMIREZ, MARKS, MENAHAN, MARBUT

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT IF THE  
BOARD OF LAND COMMISSIONERS ADOPTS RULES TO ESTABLISH THE  
MARKET VALUE OF SURFACE CABIN-SITE LICENSES AND LEASES, IT  
ADOPT A METHOD OF VALUATION OF CURRENT CABIN-SITE LICENSES  
AND LEASES BASED UPON AN APPRAISED LICENSE OR LEASE VALUE  
AND A METHOD OF VALUATION OF INITIAL CABIN-SITE LICENSES OR  
LEASES BASED UPON A SYSTEM OF COMPETITIVE BIDDING; AND  
PROVIDING FOR THE VALUATION, DISPOSAL, OR PURCHASE OF  
FIXTURES AND IMPROVEMENTS."

WHEREAS, on February 13, 1981, the Board of Land  
Commissioners proposed to adopt rules concerning surface  
licenses and leases for the use of state forest lands for  
grazing-and recreational cabin sites by private individuals,

which rules would have established the market value of  
grazing-and recreational CABIN-SITE licenses and leases by a  
system of competitive bidding; and

WHEREAS, the rules would have allowed out-of-state  
interests and other parties to increase by competitive  
bidding the cost of current grazing-and cabin site licenses  
and leases and would thereby have worked a hardship on or  
dispossessed current licensees and lessees and were  
therefore subsequently withdrawn by the Board; and

WHEREAS, the policy of this state for the leasing of  
state lands as provided in 77-1-202 is that the guiding  
principle in the leasing of state lands is "that these lands  
and funds are held in trust for the support of education and  
for the attainment of other worthy objects helpful to the  
well-being of the people of this state"; and

WHEREAS, allowing current grazing--and cabin site  
licensees and lessees to continue to enjoy the benefits of  
existing licenses and leases and the benefits of their labor  
is a worthy object helpful to the well-being of the people  
of this state in that it promotes continuity in the care of  
state lands, promotes use of state lands by the public by  
granting a minimal expectation of continuing enjoyment, and  
promotes satisfaction with governmental processes.

THEREFORE, it is the intent of this bill to direct that  
if the Board of Land Commissioners adopts any rules under

1 whatever existing rulemaking authority it may have to  
 2 establish the market value of current surface CABIN\_\_SITE  
 3 licenses or leases, that the Board, in furtherance of the  
 4 state policy expressed in 77-1-202, adopt a method of  
 5 establishing the market values of ~~grazing-and~~ cabin site  
 6 licenses and leases which would not cause undue disruption  
 7 to the lives and property of and useful enjoyment by current  
 8 licensees and lessees.

9

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

11 Section 1. Method of establishing market value for  
 12 licenses and leases. (1) If the board adopts, under any  
 13 existing authority it may have on October 1, 1983, a method  
 14 of establishing the market value of ~~grazing-and~~ cabin site  
 15 licenses or leases differing from the method used by the  
 16 board on that date, the board shall under that authority  
 17 establish a method for setting the market value of:

18 (a) each surface CABIN\_SITE license or lease in effect  
 19 on October 1, 1983, for each licensee or lessee who at any  
 20 time wishes to continue OR\_\_ASSIGN his license or lease,  
 21 which method must be based upon an appraisal of the license  
 22 or lease value of the property, which value may be increased  
 23 no more often than every fifth year by that percentage of  
 24 increase in the consumer price index shown for such period  
 25 of years; and

1 (b) each initial ~~surface~~ CABIN\_SITE license or lease  
 2 or current CABIN\_SITE license or lease of a person who does  
 3 not choose to retain the license or lease, which method must  
 4 be based upon a system of competitive bidding, and  
 5 thereafter for a person who wishes to retain that license or  
 6 lease, under the method provided for in subsection (1)(a).

7 (2) If the board adopts, under whatever authority it  
 8 may have on October 1, 1983, the method of valuation of  
 9 surface CABIN\_SITE licenses and leases required by this  
 10 section, it shall also adopt under that same authority a  
 11 method for the disposal or valuation of any fixtures or  
 12 improvements placed upon the property by the then-current  
 13 licensee or lessee and shall require the subsequent licensee  
 14 or lessee whose bid is accepted by the board to purchase  
 15 those fixtures or improvements in the manner required by the  
 16 board.

17 (3) Nothing in this section may be construed as a  
 18 delegation of rulemaking authority to the board.

19 Section 2. Codification instruction. Section 1 is  
 20 intended to be codified as an integral part of Title 77,  
 21 chapter 1, part 2, and the provisions of Title 77 apply to  
 22 section 1.

-End-

## 1 HOUSE BILL NO. 391

2 INTRODUCED BY STOBIE, MANUEL, QUILICI, FABREGA,  
3 BOYLAN, MCCALLUM, H. HAMMOND, ELLISON, C. SMITH,  
4 JONES, STIMATZ, SALES, UNDERDAL, DONALDSON, GAGE,  
5 E. SMITH, HARPER, CURTISS, ROUSH, DAILY, PAVLOVICH,  
6 SEVERSON, J. HAMMOND, SPAETH, JACOBSEN, HOLLIDAY,  
7 MCBRIDE, ASAY, HEMSTAD, SCHULTZ, METCALF, RYAN,  
8 KEYSER, HARP, BRAND, SHIFT, VINGER, R. JENSEN,  
9 SOLBERG, NORDTVEDT, YARDLEY, VINCENT,  
10 RAMIREZ, MARKS, MENAHAN, MARBUT

11  
12 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT IF THE  
13 BOARD OF LAND COMMISSIONERS ADOPTS RULES TO ESTABLISH THE  
14 MARKET VALUE OF SURFACE CABIN SITE LICENSES AND LEASES, IT  
15 ADOPT A METHOD OF VALUATION OF CURRENT CABIN SITE LICENSES  
16 AND LEASES BASED UPON AN APPRAISED LICENSE OR LEASE VALUE  
17 AND A METHOD OF VALUATION OF INITIAL CABIN SITE LICENSES OR  
18 LEASES BASED UPON A SYSTEM OF COMPETITIVE BIDDING; AND  
19 PROVIDING FOR THE VALUATION, DISPOSAL, OR PURCHASE OF  
20 FIXTURES AND IMPROVEMENTS."

21  
22 WHEREAS, on February 13, 1981, the Board of Land  
23 Commissioners proposed to adopt rules concerning surface  
24 licenses and leases for the use of state forest lands for  
25 grazing-and recreational cabin sites by private individuals,

1 which rules would have established the market value of  
2 grazing-and recreational CABIN SITE licenses and leases by a  
3 system of competitive bidding; and

4 WHEREAS, the rules would have allowed out-of-state  
5 interests and other parties to increase by competitive  
6 bidding the cost of current grazing-and cabin site licenses  
7 and leases and would thereby have worked a hardship on or  
8 dispossessed current licensees and lessees and were  
9 therefore subsequently withdrawn by the Board; and

10 WHEREAS, the policy of this state for the leasing of  
11 state lands as provided in 77-1-202 is that the guiding  
12 principle in the leasing of state lands is "that these lands  
13 and funds are held in trust for the support of education and  
14 for the attainment of other worthy objects helpful to the  
15 well-being of the people of this state"; and

16 WHEREAS, allowing current grazing--and cabin site  
17 licensees and lessees to continue to enjoy the benefits of  
18 existing licenses and leases and the benefits of their labor  
19 is a worthy object helpful to the well-being of the people  
20 of this state in that it promotes continuity in the care of  
21 state lands, promotes use of state lands by the public by  
22 granting a minimal expectation of continuing enjoyment, and  
23 promotes satisfaction with governmental processes.

24 THEREFORE, it is the intent of this bill to direct that  
25 if the Board of Land Commissioners adopts any rules under

1 whatever existing rulemaking authority it may have to  
 2 establish the market value of current surface CABIN\_SITE  
 3 licenses or leases, that the Board, in furtherance of the  
 4 state policy expressed in 77-1-202, adopt a method of  
 5 establishing the market values of grazing-and cabin site  
 6 licenses and leases which would not cause undue disruption  
 7 to the lives and property of and useful enjoyment by current  
 8 licensees and lessees.

9

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

11 Section 1. Method of establishing market value for  
 12 licenses and leases. (1) If the board adopts, under any  
 13 existing authority it may have on October 1, 1983, a method  
 14 of establishing the market value of grazing-and cabin site  
 15 licenses or leases differing from the method used by the  
 16 board on that date, the board shall under that authority  
 17 establish a method for setting the market value of:

18 (a) each surface CABIN\_SITE license or lease in effect  
 19 on October 1, 1983, for each licensee or lessee who at any  
 20 time wishes to continue OR\_ASSIGN his license or lease,  
 21 which method must be based upon an appraisal of the license  
 22 or lease value of the property, which value may be increased  
 23 no more often than every fifth year by that percentage of  
 24 increase in the consumer price index shown for such period  
 25 of years; and

1 (b) each initial surface CABIN\_SITE license or lease,  
 2 or current CABIN\_SITE license or lease of a person who does  
 3 not choose to retain the license or lease, which method must  
 4 be based upon a system of competitive bidding, and  
 5 thereafter for a person who wishes to retain that license or  
 6 lease, under the method provided for in subsection (1)(a).

7 (2) If the board adopts, under whatever authority it  
 8 may have on October 1, 1983, the method of valuation of  
 9 surface CABIN\_SITE licenses and leases required by this  
 10 section, it shall also adopt under that same authority a  
 11 method for the disposal or valuation of any fixtures or  
 12 improvements placed upon the property by the then-current  
 13 licensee or lessee and shall require the subsequent licensee  
 14 or lessee whose bid is accepted by the board to purchase  
 15 those fixtures or improvements in the manner required by the  
 16 board.

17 (3) Nothing in this section may be construed as a  
 18 delegation of rulemaking authority to the board.

19 Section 2. Codification Instruction. Section 1 is  
 20 intended to be codified as an integral part of Title 77,  
 21 chapter 1, part 2, and the provisions of Title 77 apply to  
 22 section 1.

-End-



March 8, 1983

SENATE STANDING COMMITTEE REPORT  
(Natural Resources)

That House Bill No. 391 be amended as follows:

1. Page 3, line 21.

Following: "be"

Strike: "based upon an"

Insert: " 5 percent of the"

2. Page 3, line 23.

Strike: "no more often than"

Insert: "or decreased"

3. Page 3, lines 23 through 25.

Following: "by" on line 23

Strike: line 23 through "years" on line 25

Insert: "5 percent of the change in the appraised value"

## HOUSE BILL NO. 391

INTRODUCED BY STOBIE, MANUEL, QUILICI, FABREGA,  
BOYLAN, MCCALLUM, H. HAMMOND, ELLISON, C. SMITH,  
JONES, STIMATZ, SALES, UNDERDAL, DONALDSON, GAGE,  
E. SMITH, HARPER, CURTISS, ROUSH, DAILY, PAVLOVICH,  
SEVERSON, J. HAMMOND, SPAETH, JACOBSEN, HOLLIDAY,  
MCBRIDE, ASAY, HEMSTAD, SCHULTZ, METCALF, RYAN,  
KEYSER, HARP, BRAND, SWIFT, VINGER, R. JENSEN,  
SOLBERG, NORDTVEDT, YARDLEY, VINCENT,

RAMIREZ, MARKS, MENAHAN, MARBUT

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT IF THE  
BOARD OF LAND COMMISSIONERS ADOPTS RULES TO ESTABLISH THE  
MARKET VALUE OF SURFACE CABIN SITE LICENSES AND LEASES, IT  
ADOPT A METHOD OF VALUATION OF CURRENT CABIN SITE LICENSES  
AND LEASES BASED UPON AN APPRAISED LICENSE OR LEASE VALUE  
AND A METHOD OF VALUATION OF INITIAL CABIN SITE LICENSES OR  
LEASES BASED UPON A SYSTEM OF COMPETITIVE BIDDING; AND  
PROVIDING FOR THE VALUATION, DISPOSAL, OR PURCHASE OF  
FIXTURES AND IMPROVEMENTS."

WHEREAS, on February 13, 1981, the Board of Land  
Commissioners proposed to adopt rules concerning surface  
licenses and leases for the use of state forest lands for  
grazing-and recreational cabin sites by private individuals,

which rules would have established the market value of  
grazing-and recreational CABIN SITE licenses and leases by a  
system of competitive bidding; and

WHEREAS, the rules would have allowed out-of-state  
interests and other parties to increase by competitive  
bidding the cost of current grazing-and cabin site licenses  
and leases and would thereby have worked a hardship on or  
dispossessed current licensees and lessees and were  
therefore subsequently withdrawn by the Board; and

WHEREAS, the policy of this state for the leasing of  
state lands as provided in 77-1-202 is that the guiding  
principle in the leasing of state lands is "that these lands  
and funds are held in trust for the support of education and  
for the attainment of other worthy objects helpful to the  
well-being of the people of this state"; and

WHEREAS, allowing current grazing--and cabin site  
licensees and lessees to continue to enjoy the benefits of  
existing licenses and leases and the benefits of their labor  
is a worthy object helpful to the well-being of the people  
of this state in that it promotes continuity in the care of  
state lands, promotes use of state lands by the public by  
granting a minimal expectation of continuing enjoyment, and  
promotes satisfaction with governmental processes.

THEREFORE, it is the intent of this bill to direct that  
if the Board of Land Commissioners adopts any rules under

1 whatever existing rulemaking authority it may have to  
 2 establish the market value of current surface CABIN\_SITE  
 3 licenses or leases, that the Board, in furtherance of the  
 4 state policy expressed in 77-1-202, adopt a method of  
 5 establishing the market values of grazing-and cabin site  
 6 licenses and leases which would not cause undue disruption  
 7 to the lives and property of and useful enjoyment by current  
 8 licensees and lessees.

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Method of establishing market value for  
 12 licenses and leases. (1) If the board adopts, under any  
 13 existing authority it may have on October 1, 1983, a method  
 14 of establishing the market value of grazing-and cabin site  
 15 licenses or leases differing from the method used by the  
 16 board on that date, the board shall under that authority  
 17 establish a method for setting the market value of:

18 (a) each surface CABIN\_SITE license or lease in effect  
 19 on October 1, 1983, for each licensee or lessee who at any  
 20 time wishes to continue OR\_ASSIGN his license or lease,  
 21 which method must be based-upon-an 5% OF THE appraisal of  
 22 the license or lease value of the property, which value may  
 23 be increased no--more--often--than OR\_DECREASED every fifth  
 24 year by that--percentage-of-increase-in--the--consumer--price  
 25 index-shown-for-such-period-of-years 5% OF THE CHANGE IN THE

1 APPRAISED\_VALUE; and

2 (b) each initial surface CABIN\_SITE license or lease,  
 3 or current CABIN\_SITE license or lease of a person who does  
 4 not choose to retain the license or lease, which method must  
 5 be based upon a system of competitive bidding, and  
 6 thereafter for a person who wishes to retain that license or  
 7 lease, under the method provided for in subsection (1)(a).

8 (2) If the board adopts, under whatever authority it  
 9 may have on October 1, 1983, the method of valuation of  
 10 surface CABIN\_SITE licenses and leases required by this  
 11 section, it shall also adopt under that same authority a  
 12 method for the disposal or valuation of any fixtures or  
 13 improvements placed upon the property by the then-current  
 14 licensee or lessee and shall require the subsequent licensee  
 15 or lessee whose bid is accepted by the board to purchase  
 16 those fixtures or improvements in the manner required by the  
 17 board.

18 (3) Nothing in this section may be construed as a  
 19 delegation of rulemaking authority to the board.

20 Section 2. Codification instruction. Section 1 is  
 21 intended to be codified as an integral part of Title 77,  
 22 chapter 1, part 2, and the provisions of Title 77 apply to  
 23 section 1.

-End-