

HOUSE BILL NO. 432

INTRODUCED BY DEVLIN, SWITZER, SCHULTZ, SEIFERT,  
E. SMITH, M. HANSON, SHAW

IN THE HOUSE

January 21, 1983	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
January 31, 1983	Committee recommend bill do pass. Report adopted.
February 1, 1983	Bill printed and placed on members' desks.
February 2, 1983	Second reading, do pass.
February 3, 1983	Considered correctly engrossed.
February 4, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 5, 1983	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
February 28, 1983	Committee recommend bill be concurred in. Report adopted.
March 3, 1983	Second reading, concurred in.
March 5, 1983	Third reading, concurred in. Ayes, 49; Noes, 0.

IN THE HOUSE

March 5, 1983

Returned to House.

March 7, 1983

Sent to enrolling.

Reported correctly enrolled.

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INTRODUCED BY *Hoyer* BILL NO. *432*  
*Devin Switzer*  
*M. Hanson* *Edley* *E. Smith*

A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE A STATUTORY  
 CONFLICT REGARDING PREFERENCE RIGHTS FOR STATE LAND LEASES;  
 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 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 5- or 10-year period at any time within  
 30 days prior to its expiration if no other applications for  
 lease of the land have been received 30 days prior to the  
 expiration of his lease. The renewal shall 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. 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.

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(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.  
 Such 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  
 land, would cause damage to the tract, or impair its  
 long-term productivity. If the board reduces the bid, it  
 shall set forth its findings and conclusions in writing and  
 so inform the lessee and competitive bidder. 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."

-End-

Approved by Committee  
on Agriculture Livestock  
& Irrigation

1 *Flayer* BILL NO. *432*

2 INTRODUCED BY *Arthur Switzer*

3 *M. Hanson*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE A STATUTORY  
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-End-

-2- SECOND READING  
*HB 432*

1 *Hoyes* BILL NO. *432*  
 2 INTRODUCED BY *Devin Switzer Deputy Spt E. Smith*  
 3 *M. Hanson*  
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