

HOUSE BILL NO. 738

Introduced: 02/12/83

Referred to Committee on State Administration: 02/12/83

Hearing: 2/16/83

Died in Committee

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House BILL NO. 738
INTRODUCED BY Sen. Fehske Donaldson Hand

A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE DEPARTMENT OF INSTITUTIONS TO SELL A PORTION OF THE PRISON RANCH; DIRECTING THE DEPARTMENT TO USE THE PROCEEDS FROM THE SALE TO UPGRADE THE RANCH OR TO CONSTRUCT OR RECONSTRUCT A MAXIMUM SECURITY FACILITY."

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

Section 1. Reduction of prison ranch acreage. The department of institutions shall sell the surface rights to approximately 25,000 acres of land to which it holds title, comprising a portion of the Montana state prison ranch. The sale shall be conducted as provided for other sales of state land and shall be at not less than appraised value. The proceeds realized by the department from the sale must be used to construct or reconstruct a maximum security facility at the Montana state prison or to upgrade the remaining land, buildings, and equipment on the ranch. The department shall fulfill the duties imposed by this section by January 1, 1985, unless it certifies to the 49th legislature that market or other conditions are such that the property could not be sold at a reasonable price by that date.

-End-

INTRODUCED BILL
HIB 738

STATE OF MONTANA

REQUEST NO. 402-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 15, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 738 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 738 directs the Department of Institutions to sell a portion of the Prison Ranch; directs the department to use the proceeds from the sale to upgrade the ranch or to construct or reconstruct a maximum security facility."

ASSUMPTIONS:

- 1) There will be a buyer for the 25,000 acres.
- 2) Section sold will be dry, rocky range. No irrigated land will be sold.
- 3) Estimated price \$175 acre.
- 4) Appraisal must be done by a M.I.A. appraiser.
- 5) Abstracting costs will be incurred.
- 6) Public hearing must be held.
- 7) Selling of 25,000 acres would eliminate the Beef Unit at the Ranch.
- 8) Institutions would need to purchase beef on the market.

FISCAL IMPACT:

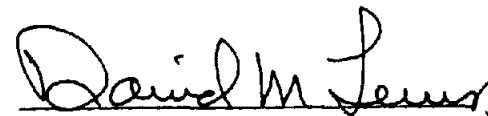
Revenue @ \$175/acre x 25,000 acre	\$4,375,000
Less Appraisal - Approx	(17,000)
Less Abstracting Costs	(100)
	<u>\$4,357,000</u>

	<u>FY84</u>	<u>FY85</u>
Additional cost to the institutions to purchase beef on the market.	111,236	117,911

COMMENTS:

There would be a loss of income in the ranch revolving account. The county would receive taxes on the land sold.

FISCAL NOTE 15:E/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-19-83