

HOUSE BILL NO. 786

INTRODUCED BY NATHE, E. SMITH

IN THE HOUSE

February 11, 1985	Introduced and referred to Committee on Natural Resources.
February 21, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
February 23, 1985	Second reading, do pass. Considered correctly engrossed.
February 25, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 4, 1985	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
March 19, 1985	Committee recommend bill be concurrred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in. Ayes, 50; Noes, 0. Returned to House.

IN THE HOUSE

March 27, 1985	Received from Senate. Sent to enrolling. Reported correctly enrolled.
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1 HOUSE BILL NO. 786
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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
 5 LAWS RELATING TO BID DEPOSITS FOR STATE SURFACE LEASES;
 6 INCREASING THE AMOUNT OF DEPOSITS REQUIRED FOR AGRICULTURAL
 7 LEASES; ALLOWING FORFEITURE OF DEPOSITS FOR FRIVOLOUS,
 8 FORGED, BAD FAITH, OR HARASSMENT BIDS; AND AMENDING SECTION
 9 77-6-203, MCA."

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

12 Section 1. Section 77-6-203, MCA, is amended to read:

13 "77-6-203. Bid deposit. (1) A person bidding for the
 14 lease of state lands shall deposit with the department, as
 15 evidence of good faith, a certified check, cashier's check,
 16 or money order in an amount equal to 20% of the annual
 17 rental bid in the case of grazing land and an amount equal
 18 to \$1 per acre for each acre of agricultural land contained
 19 in the lease in the case of agricultural land on which the
 20 bid is made on a crop share basis.

21 (2) The department shall retain the deposit of the
 22 successful bidder, apply it on the rental for the first year
 23 of the lease only, and return any balance of the deposit at
 24 the end of the first year to the successful bidder. The
 25 department shall return the deposits of the unsuccessful

1 bona fide bidders. If the department finds a bid has been
 2 submitted that is frivolous, forged, or a bad faith bid or a
 3 bid submitted for purposes of harassment, the deposit is
 4 forfeited. The department shall make a reasonable attempt to
 5 notify the bidder in writing of the forfeiture and reasons
 6 therefor.

7 (3) If the successful bidder fails to execute the
 8 lease for any reason, his deposit shall be forfeited and
 9 ~~deposited-by-the-department-to--the--credit--of--the--proper~~
 10 ~~interest-and-income-account-in-the-agency-fund.~~

11 (4) The department shall credit all forfeited deposits
 12 to the interest and income account of the proper trust."

13 NEW SECTION. Section 2. Extension of authority. Any
 14 existing authority of the board of land commissioners or
 15 department of state lands to make rules on the subject of
 16 the provisions of this act is extended to the provisions of
 17 this act.

-End-



APPROVED BY COMM. ON
NATURAL RESOURCES

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(2) The department shall retain the deposit of the successful bidder, apply it on the rental for the first year of the lease only, and return any balance of the deposit at the end of the first year to the successful bidder. The department shall return the deposits of the unsuccessful

bona fide bidders. If the department finds a bid has been submitted that is frivolous, forged, or a bad faith bid or a bid submitted for purposes of harassment, the deposit is forfeited. The department shall make a reasonable attempt to notify the bidder in writing of the forfeiture and reasons therefor.

(3) If the successful bidder fails to execute the lease for any reason, his deposit shall be forfeited and ~~deposited by the department to the credit of the proper interest and income account in the agency fund.~~

(4) The department shall credit all forfeited deposits to the interest and income account of the proper trust."

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