

SENATE BILL NO. 91

INTRODUCED BY MANNING, BECK, TVEIT, CAMPBELL, HANSEN,
GRADY, NATHE, MCLANE, BOYLAN, WEEDING, KELLER, DARKO,
MOORE, ANDERSON, DEVLIN

IN THE SENATE

JANUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
JANUARY 19, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 20, 1989	PRINTING REPORT.
JANUARY 23, 1989	PASS CONSIDERATION.
JANUARY 24, 1989	SECOND READING, DO PASS.
	ON MOTION, BILL SEGREGATED FROM COMMITTEE OF WHOLE REPORT AND RETURNED TO SECOND READING.
JANUARY 25, 1989	SECOND READING, DO PASS AS AMENDED.
JANUARY 26, 1989	ENGROSSING REPORT.
JANUARY 27, 1989	THIRD READING, PASSED. AYES, 36; NOES, 13.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 27, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
FEBRUARY 20, 1989	FIRST READING.
MARCH 13, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.

MARCH 15, 1989 PASSED CONSIDERATION FOR THE DAY.
MARCH 16, 1989 PASSED CONSIDERATION FOR THE DAY.
MARCH 18, 1989 SECOND READING, NOT CONCURRED IN.
AYES, 46; NOES, 47.
MARCH 28, 1989 SECOND READING, CONCURRED IN.
RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 28, 1989 ON MOTION, THE SENATE ACCEDED TO THE
REQUEST OF THE HOUSE AND RETURNED BILL
FOR FURTHER CONSIDERATION.

IN THE HOUSE

MARCH 28, 1989 RECEIVED FROM SENATE.
SECOND READING, CONCURRED IN.
MARCH 29, 1989 THIRD READING, CONCURRED IN.
AYES, 51; NOES, 42.
RETURNED TO SENATE.

IN THE SENATE

APRIL 3, 1989 RECEIVED FROM HOUSE.
SECOND READING, AMENDMENTS
CONCURRED IN.
APRIL 5, 1989 THIRD READING, AMENDMENTS
CONCURRED IN.
SENT TO ENROLLING.
REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *91*
 2 INTRODUCED BY *Richard E. Spinning and David Campbell*
 3 *Stella Jean Hansen, Gerald NATHAN McSone Doyle*
 4 A BILL FOR AN ACT ENTITLED: *AN ACT PROVIDING FOR SALE OF*
 5 STATE LANDS COMPRISING LEASED CABIN OR HOME SITES OR CITY OR
 6 TOWN LOTS UPON REQUEST OF THE LESSEES THEREOF; EXEMPTING
 7 SALES FROM SUBDIVISION LAWS; PROVIDING FOR PERMANENT
 8 EASEMENTS; ESTABLISHING AN APPRAISAL REVIEW BOARD; AND
 9 AMENDING SECTIONS 77-2-301 AND 77-2-303, MCA."

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

12 **Section 1.** Section 77-2-301, MCA, is amended to read:

13 "77-2-301. Sales of state land under board control.
 14 The board is hereby vested with the power and authority to
 15 decide when sales of state lands are to be held and what
 16 state lands are to be offered for sale, subject to the
 17 limitations of this title, as the best interests of the
 18 state may appear to require. As a general rule and except
 19 as provided in [section 3], no sale of state lands shall be
 20 held unless applications have been made for the purchase of
 21 lands within one county by prospective purchasers
 22 representing at least 12 families."

23 **Section 2.** Section 77-2-303, MCA, is amended to read:

24 "77-2-303. Restrictions on land available for sale.

25 (1) Lands Except as provided in [section 3], lands

1 classified as timberlands are not subject to sale, but
 2 timber thereon may be sold and disposed of in the manner
 3 provided by law.

4 (2) Lands which in the judgment of the board are
 5 likely to contain valuable deposits of coal, oil, oil shale,
 6 phosphate, metals, sodium, or other valuable mineral
 7 deposits are not subject to sale, either the surface land or
 8 any of such deposits therein. However, this does not
 9 prohibit the sale of lands containing sand, gravel, building
 10 stone, brick clay, or similar materials.

11 (3) (a) There Except as provided in [section 3], there
 12 is also reserved from sale from all state lands bordering on
 13 navigable lakes or bordering on nonnavigable meandered lakes
 14 and from all state lands bordering on navigable streams, as
 15 the board may deem in the best interests of the state, a
 16 strip of land which shall include all the land lying between
 17 low-water mark and high-water mark and which in addition
 18 shall extend in width landward from the line of high-water
 19 mark of such lake or stream the full width of the 40-acre
 20 tract or government lot abutting the line of high-water
 21 mark. If the width of such abutting government lot at its
 22 narrowest point is less than 100 feet, then the strip hereby
 23 reserved shall extend to and include the next adjoining
 24 40-acre tract or government lot. The land reserved from sale
 25 by this subsection shall be subject to the granting of

1 easements the same as other state lands.

2 (b) Such strips of land bordering on meandering lakes
3 or on navigable streams, except the strip lying between
4 low-water and high-water mark, whether surveyed and platted
5 into blocks and lots or not, may, however, be leased as
6 provided in this title for the leasing of other state
7 lands."

8 NEW SECTION. Section 3. Sale of leased cabin or home
9 sites or city or town lots. (1) At the request of the lessee
10 and if consistent with the orderly development and
11 management of state lands, the board may make available for
12 sale, in the manner provided in this part, any leased cabin
13 or home site or city or town lot then held under lease.

14 (2) These sales are exempt from subdivision laws.

15 (3) The sale of a leased cabin or home site or city or
16 town lot under [this act] must be completed no later than 10
17 years after [the effective date of this act]. A lessee may
18 request a lease sale at any time during the 10-year period.
19 Upon request, the board may grant a handicapped lessee or a
20 lessee 65 years of age or older an additional 10-year period
21 to request a sale of leased land.

22 (4) Upon a sale of leased land, the department shall
23 establish a permanent easement to secure access using
24 current routes.

25 NEW SECTION. Section 4. Appraisal review board. The

1 department shall establish an appraisal review board
2 consisting of three independent appraisers who shall make
3 the final decision on a disputed state appraisal.

4 NEW SECTION. Section 5. Extension of authority. Any
5 existing authority to make rules on the subject of the
6 provisions of [this act] is extended to the provisions of
7 [this act].

8 NEW SECTION. Section 6. Codification instruction.
9 [Sections 3 and 4] are intended to be codified as an
10 integral part of Title 77, chapter 2, part 3, and the
11 provisions of Title 77, chapter 2, part 3, apply to
12 [sections 3 and 4].

13 NEW SECTION. Section 7. Applicability. Any lease
14 entered into after [the effective date of this act] must
15 contain a provision allowing the lease to be sold.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB091, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

SB091 provides for sale of state lands comprising leased cabin or home sites or city or town lots upon request of the lessees, exempts sales from subdivision laws and provides for permanent easements.

ASSUMPTIONS:

1. Approximately 50 percent of the more than 900 trust land cabin site lessees will make a request to the Board of Land Commissioners to purchase the cabin site that they currently are leasing within the next 10 years.
2. The board will receive 30 percent of all requests for purchase in the next biennium or approximately 135 requests.
3. The Department of State Lands reviews all 135 applications to determine if the proposed sale is consistent with the orderly development and management of trust land.
4. A minimum of 65 sales will be conducted or initiated in the next biennium. All sales will require surveying appraisals, advertising, title opinion work, deed preparation, and the holding of public sales. These costs will average \$620.00 per sale.
5. Due to the potential number of sales, a grade 14 employee will be hired to coordinate the program, at a cost of \$25,800 per year plus program expenses.
6. Over the next two years, the appraisal review board will conduct 10 hearings on contested appraisals at \$1,500 per hearing.
7. There will be no defaults on sale contracts requiring expenditures for foreclosure proceedings.
8. Cabin sales will ultimately result in an increase to the permanent school trust fund and the interest thereby earned will be distributed to the schools. The rental from these lands will be lost at the time of sale, but it is not possible to assume either amount.

FISCAL IMPACT:

	Current Law	FY90 Proposed Law	Difference	Current Law	FY91 Proposed Law	Difference
<u>Expenditures:</u>						
Department of State Lands	\$ -0-	\$55,500	\$55,500	\$ -0-	\$53,000	\$53,000
<u>Funding:</u>						
General Fund	\$ -0-	\$55,500	\$55,500	\$ -0-	\$53,000	\$53,000

Ray Shackelford 11/17/89
 RAY SHACKLEFORD BUDGET DIRECTOR DATE
 OFFICE OF BUDGET AND PROGRAM PLANNING

Richard E. Manning 11/17/89
 RICHARD E. MANNING, PRIMARY SPONSOR DATE

Fiscal Note for SB091, as introduced

SB 91

EFFECTS ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

1. The sites that are sold will be added to the tax rolls of the county where the property is located, thereby increasing tax collections.
2. Because the bill exempts leased tracts from subdivision regulation, local governments may eventually be required to pick up costs to improve inadequate roads, drainage, water systems and sewage disposal.

TECHNICAL OR MECHANICAL DEFECTS WITH THE PROPOSED BILL:

1. Section 3(4) requires the state to establish a permanent easement. If the easement is across trust land then the buyer will have to purchase an easement from the state. If it is across private land, it may require condemnation authority in order to "secure access." Access across federal land may be difficult or impossible to "secure."
2. There appears to be a conflict between Section 3(3) and Section 7. Section 3 limits the bill's effectiveness to 10 years, but Section 7 applies to all leases entered into by the Department without reference to the 10-year period or to the type of lease.

TECHNICAL CONFLICTS WITH EXISTING LEGISLATION:

1. State lands are subject to regulation under the Subdivision and Platting Act when division creates a second or subsequent parcel from a single tract and it is not clear whether or how SB091 relates to this provision of 76-3-205, MCA.
2. The intent of 76-4-103, MCA, is to provide for health department regulation of state lands and it is not clear whether or at what point in time SB091 might exempt state land sites from this regulatory authority.
3. The proposed bill is not clear as to whether the current regulatory authority provided for in 76-3-205 and 76-4-103, MCA, is automatically restored after the 10-year period provided in Section 3 of SB091.

SB 91

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

SENATE BILL NO. 91

INTRODUCED BY MANNING, BECK, TVEIT, CAMPBELL, HANSEN,
GRADY, NATHE, MCLANE, BOYLAN, WEEDING, KELLER, DARKO,
MOORE, ANDERSON, DEVLIN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR SALE OF
STATE LANDS COMPRISING LEASED CABIN OR HOME SITES OR CITY OR
TOWN LOTS UPON REQUEST OF THE LESSEES THEREOF; EXEMPTING
EXISTING SALES FROM SUBDIVISION LAWS; PROVIDING FOR
PERMANENT EASEMENTS; ESTABLISHING AN APPRAISAL REVIEW BOARD;
AND AMENDING SECTIONS 77-2-301 AND 77-2-303, MCA."

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

Section 1. Section 77-2-301, MCA, is amended to read:

"77-2-301. Sales of state land under board control.

The board is hereby vested with the power and authority to
decide when sales of state lands are to be held and what
state lands are to be offered for sale, subject to the
limitations of this title, as the best interests of the
state may appear to require. As a general rule and except
as provided in [section 3], no sale of state lands shall be
held unless applications have been made for the purchase of
lands within one county by prospective purchasers
representing at least 12 families."

Section 2. Section 77-2-303, MCA, is amended to read:

"77-2-303. Restrictions on land available for sale.

(1) bands Except as provided in [section 3], lands
classified as timberlands are not subject to sale, but
timber thereon may be sold and disposed of in the manner
provided by law.

(2) Lands which in the judgment of the board are
likely to contain valuable deposits of coal, oil, oil shale,
phosphate, metals, sodium, or other valuable mineral
deposits are not subject to sale, either the surface land or
any of such deposits therein. However, this does not
prohibit the sale of lands containing sand, gravel, building
stone, brick clay, or similar materials.

(3) (a) There Except as provided in [section 3], there
is also reserved from sale from all state lands bordering on
navigable lakes or bordering on nonnavigable meandered lakes
and from all state lands bordering on navigable streams, as
the board may deem in the best interests of the state, a
strip of land which shall include all the land lying between
low-water mark and high-water mark and which in addition
shall extend in width landward from the line of high-water
mark of such lake or stream the full width of the 40-acre
tract or government lot abutting the line of high-water
mark. If the width of such abutting government lot at its
narrowest point is less than 100 feet, then the strip hereby
reserved shall extend to and include the next adjoining

1 40-acre tract or government lot. The land reserved from sale
2 by this subsection shall be subject to the granting of
3 easements the same as other state lands.

4 (b) Such strips of land bordering on meandering lakes
5 or on navigable streams, except the strip lying between
6 low-water and high-water mark, whether surveyed and platted
7 into blocks and lots or not, may, however, be leased as
8 provided in this title for the leasing of other state
9 lands."

10 NEW SECTION. Section 3. Sale of EXISTING leased cabin
11 or home sites or city or town lots. (1) At the request of
12 the lessee and if consistent with the orderly development
13 and management of state lands, the board may make available
14 for sale, in the manner provided in this part, any EXISTING
15 leased cabin or home site or city or town lot then held
16 under lease.

17 (2) ~~These sales are exempt from subdivision laws~~ THE
18 SALE OF AN EXISTING LEASE IS EXEMPT FROM THE SUBDIVISION
19 LAWS. HOWEVER, ANY FUTURE SUBDIVISION IS SUBJECT TO REVIEW
20 UNDER TITLE 76, CHAPTERS 3 AND 4.

21 (3) The sale of a leased cabin or home site or city or
22 town lot under [this act] must be completed no later than 10
23 years after [the effective date of this act]. A lessee may
24 request a lease sale at any time during the 10-year period.
25 Upon request, the board may grant a handicapped lessee or a

1 lessee 65 years of age or older an additional 10-year period
2 to request a sale of leased land.

3 (4) Upon a sale of leased land, the department shall
4 establish, UPON COMPLIANCE WITH 77-3-101 THROUGH 77-3-106,
5 GRANT a permanent easement ACROSS STATE LANDS to secure
6 access using current routes.

7 NEW SECTION. Section 4. Appraisal review board. The
8 department shall establish an appraisal review board
9 consisting of three independent appraisers who shall make
10 the final decision on a disputed state appraisal MADE FOR
11 PURPOSES OF [SECTION 3] WHEN THE APPRAISAL VALUE IS LESS
12 THAN THE AMOUNT OF BID MADE PURSUANT TO 77-2-323.

13 NEW SECTION. Section 5. Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

17 NEW SECTION. Section 6. Codification instruction.
18 [Sections 3 and 4] are intended to be codified as an
19 integral part of Title 77, chapter 2, part 3, and the
20 provisions of Title 77, chapter 2, part 3, apply to
21 [sections 3 and 4].

22 NEW SECTION. Section 7. Applicability. Any CABIN OR
23 HOME SITE lease entered into after [the effective date of
24 this act] must contain a provision ~~allowing the lease to be~~
25 sold IMPLEMENTING [SECTION 3].

SENATE BILL NO. 91

INTRODUCED BY MANNING, BECK, TVEIT, CAMPBELL, HANSEN,
GRADY, NATHE, MCLANE, BOYLAN, WEEDING, KELLER, DARKO,
MOORE, ANDERSON, DEVLIN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR SALE OF
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TOWN LOTS UPON REQUEST OF THE LESSEES THEREOF; EXEMPTING
EXISTING SALES FROM SUBDIVISION LAWS; PROVIDING FOR
PERMANENT EASEMENTS; ESTABLISHING AN APPRAISAL REVIEW BOARD;
AND AMENDING SECTIONS 77-2-301 AND 77-2-303, MCA."

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

Section 1. Section 77-2-301, MCA, is amended to read:

"77-2-301. Sales of state land under board control.

The board is hereby vested with the power and authority to
decide when sales of state lands are to be held and what
state lands are to be offered for sale, subject to the
limitations of this title, as the best interests of the
state may appear to require. As a general rule and except
as provided in [section 3], no sale of state lands shall be
held unless applications have been made for the purchase of
lands within one county by prospective purchasers
representing at least 12 families."

Section 2. Section 77-2-303, MCA, is amended to read:

"77-2-303. Restrictions on land available for sale.

(1) lands Except as provided in [section 3], lands
classified as timberlands are not subject to sale, but
timber thereon may be sold and disposed of in the manner
provided by law.

(2) Lands which in the judgment of the board are
likely to contain valuable deposits of coal, oil, oil shale,
phosphate, metals, sodium, or other valuable mineral
deposits are not subject to sale, either the surface land or
any of such deposits therein. However, this does not
prohibit the sale of lands containing sand, gravel, building
stone, brick clay, or similar materials.

(3) (a) There Except-as-provided-in-[section-3], there
THERE is also reserved from sale from all state lands
bordering on navigable lakes or bordering on nonnavigable
meandered lakes and from all state lands bordering on
navigable streams, as the board may deem in the best
interests of the state, a strip of land which shall include
all the land lying between low-water mark and high-water
mark and which in addition shall extend in width landward
from the line of high-water mark of such lake or stream the
full width of the 40-acre tract or government lot abutting
the line of high-water mark. If the width of such abutting
government lot at its narrowest point is less than 100 feet,
then the strip hereby reserved shall extend to and include

the next adjoining 40-acre tract or government lot. The land reserved from sale by this subsection shall be subject to the granting of easements the same as other state lands.

(b) Such strips of land bordering on meandering lakes or on navigable streams, except the strip lying between low-water and high-water mark, whether surveyed and platted into blocks and lots or not, may, however, be leased as provided in this title for the leasing of other state lands."

NEW SECTION. Section 3. Sale of EXISTING leased cabin or home sites or city or town lots. (1) At the request of the lessee and if consistent with the orderly development and management of state lands, the board may make available for sale, in the manner provided in this part, any EXISTING leased cabin or home site or city or town lot then held under lease.

(2) ~~These sales are exempt from subdivision laws~~ THE SALE OF AN EXISTING LEASE IS EXEMPT FROM THE SUBDIVISION LAWS. HOWEVER, ANY FUTURE SUBDIVISION IS SUBJECT TO REVIEW UNDER TITLE 76, CHAPTERS 3 AND 4.

(3) The sale of a leased cabin or home site or city or town lot under [this act] must be completed no later than 10 years after [the effective date of this act]. A lessee may request a lease sale at any time during the 10-year period. Upon request, the board may grant a handicapped lessee or a

lessee 65 years of age or older an additional 10-year period to request a sale of leased land.

(4) Upon a sale of leased land, the department shall establish, UPON COMPLIANCE WITH 77-3-101 THROUGH 77-3-106, GRANT a permanent easement ACROSS STATE LANDS to secure access using current routes.

NEW SECTION. Section 4. Appraisal review board. The department shall establish an appraisal review board consisting of three independent appraisers who shall make the final decision on a disputed state appraisal MADE FOR PURPOSES OF [SECTION 3] WHEN THE APPRAISAL VALUE IS LESS THAN THE AMOUNT OF BID MADE PURSUANT TO 77-2-323.

NEW SECTION. Section 5. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. Section 6. Codification instruction. [Sections 3 and 4] are intended to be codified as an integral part of Title 77, chapter 2, part 3, and the provisions of Title 77, chapter 2, part 3, apply to [sections 3 and 4].

NEW SECTION. Section 7. Applicability. Any CABIN OR HOME SITE lease entered into after [the effective date of this act] must contain a provision ~~allowing the lease to be sold~~ IMPLEMENTING [SECTION 3].

-End-

STANDING COMMITTEE REPORT

March 11, 1989
Page 1 of 3

Mr. Speaker: We, the committee on Natural Resources report that SENATE BILL 91 (third reading copy -- blue) be concurred in as amended.

Signed: 

Bob Raney, Chairman

[REP. More WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Title, line 9.
Strike: "EXISTING"
Following: "FROM"
Insert: "CERTAIN"
2. Title, line 10.
Following: "EASEMENTS;"
Insert: "PROVIDING FOR CONSERVATION EASEMENTS FOR SALES;"
Following: "BOARD;"
Insert: "CLARIFYING THE BIDDING REQUIREMENTS FOR SALE OF STATE LANDS;"
3. Title, line 11.
Following: "77-2-301"
Strike: "AND"
Insert: ","
Following: "77-2-303,"
Insert: "AND 77-2-324,"
4. Page 3, line 10.
Strike: "EXISTING"
5. Page 3, line 14.
Strike: "EXISTING"
6. Page 3, line 15.
Strike: "then held"
Insert: "that was"
7. Page 3, line 16.

Following: "lease"
Insert: "on [the effective date of this act]"

8. Page 3.
Following: line 16
Insert: "(2) The lessee requesting the sale shall have prepared a current certificate of survey for the property. The cost of preparation of the certificate of survey must be included in the settlement for improvements, as provided for in 77-2-325, if a person other than the lessee is the purchaser."
Renumber: subsequent subsections

9. Page 3, line 18.
Strike: "AN EXISTING"
Insert: "a"

10. Page 3, lines 19 and 20.
Following: "LAWS"
Strike: "." on line 19 through line 20 in its entirety
Insert: ", except that the development of any new, replacement, or additional water supply or sewage disposal system on the property must be approved pursuant to the review procedure, fee, and other requirements of Title 76, chapter 4, part 1."

11. Page 4, line 4.
Strike: "77-3-101"
Insert: "77-2-101"
Strike: "77-3-106"
Insert: "77-2-106"

12. Page 4.
Following: line 6
Insert: "NEW SECTION. Section 4. Conservation easement for certain sales. As a condition of any sale initiated pursuant to [section 3], the board shall, if consistent with its trust responsibility, grant to the state of Montana a conservation easement, as provided for in 76-6-203, for the leased cabin or home site or city or town lot to be sold. The conservation easement must run with the land in perpetuity and must:
(a) prohibit subdivision of the land;
(b) for property within 100 feet of a river, stream, or lake, prohibit the cutting of trees except as necessary for construction on the lot, fire prevention, safety, or protection of personal property; and
(c) require that any permanent structure be set back 25 feet from the high-water mark of a lake or stream."
Renumber: subsequent sections

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SB 91

March 11, 1989
Page 3 of 3

13. Page 4.

Following: line 12

Insert: "Section 6. Section 77-2-324, MCA, is amended to read:

"77-2-324. Preference to lessee of land. The lessee of the land need not make a higher bid than others, but he shall, ~~if bidding an equal amount,~~ have the option to match the high bid and be given the preference. If the lessee matches the high bid, bidding must be reopened to all bidders, with the lessee retaining the right of preference to match the ultimate high bid and be awarded the sale."

14. Page 4, line 18.

Strike: "and 4"

Insert: "through 5"

15. Page 4, line 21.

Strike: "and 4"

Insert: "through 5"

16. Page 4, lines 22 through 25.

Strike: section 7 in its entirety

SENATE BILL NO. 91

INTRODUCED BY MANNING, BECK, TVEIT, CAMPBELL, HANSEN,
GRADY, NATHE, MCLANE, BOYLAN, WEEDING, KELLER, DARKO,
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PERMANENT EASEMENTS; PROVIDING FOR CONSERVATION EASEMENTS
FOR SALES; ESTABLISHING AN APPRAISAL REVIEW BOARD;
CLARIFYING THE BIDDING REQUIREMENTS FOR SALE OF STATE LANDS;
AND AMENDING SECTIONS 77-2-301, AND 77-2-303, AND 77-2-324,
MCA."

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all the land lying between low-water mark and high-water
mark and which in addition shall extend in width landward
from the line of high-water mark of such lake or stream the
full width of the 40-acre tract or government lot abutting

the line of high-water mark. If the width of such abutting government lot at its narrowest point is less than 100 feet, then the strip hereby reserved shall extend to and include the next adjoining 40-acre tract or government lot. The land reserved from sale by this subsection shall be subject to the granting of easements the same as other state lands.

(b) Such strips of land bordering on meandering lakes or on navigable streams, except the strip lying between low-water and high-water mark, whether surveyed and platted into blocks and lots or not, may, however, be leased as provided in this title for the leasing of other state lands."

NEW SECTION. Section 3. Sale of ~~EXISTING~~ leased cabin or home sites or city or town lots. (1) At the request of the lessee and if consistent with the orderly development and management of state lands, the board may make available for sale, in the manner provided in this part, any ~~EXISTING~~ leased cabin or home site or city or town lot ~~then-held THAT~~ WAS under lease ON [THE EFFECTIVE DATE OF THIS ACT].

(2) THE LESSEE REQUESTING THE SALE SHALL HAVE PREPARED A CURRENT CERTIFICATE OF SURVEY FOR THE PROPERTY. THE COST OF PREPARATION OF THE CERTIFICATE OF SURVEY MUST BE INCLUDED IN THE SETTLEMENT FOR IMPROVEMENTS, AS PROVIDED FOR IN 77-2-325, IF A PERSON OTHER THAN THE LESSEE IS THE PURCHASER.

~~(2)(3) These sales are exempt from subdivision laws~~
~~THE SALE OF AN-EXISTING A LEASE IS EXEMPT FROM THE~~
~~SUBDIVISION LAWS,---HOWEVER,---ANY---FUTURE---SUBDIVISION---IS~~
~~SUBJECT--TO-REVIEW-UNDER-TITLE-76-CHAPTERS-3-AND-4, EXCEPT~~
~~THAT THE DEVELOPMENT OF ANY NEW, REPLACEMENT, OR ADDITIONAL~~
~~WATER SUPPLY OR SEWAGE DISPOSAL SYSTEM ON THE PROPERTY MUST~~
~~BE APPROVED PURSUANT TO THE REVIEW PROCEDURE, FEE, AND OTHER~~
~~REQUIREMENTS OF TITLE 76, CHAPTER 4, PART 1.~~

~~(3)(4) The sale of a leased cabin or home site or city or town lot under [this act] must be completed no later than 10 years after [the effective date of this act]. A lessee may request a lease sale at any time during the 10-year period. Upon request, the board may grant a handicapped lessee or a lessee 65 years of age or older an additional 10-year period to request a sale of leased land.~~

~~(4)(5) Upon a sale of leased land, the department shall establish, UPON COMPLIANCE WITH 77-3-101 77-2-101 THROUGH 77-3-106 77-2-106, GRANT a permanent easement ACROSS STATE LANDS to secure access using current routes.~~

NEW SECTION. SECTION 4. CONSERVATION EASEMENT FOR CERTAIN SALES. AS A CONDITION OF ANY SALE INITIATED PURSUANT TO [SECTION 3], THE BOARD SHALL, IF CONSISTENT WITH ITS TRUST RESPONSIBILITY, GRANT TO THE STATE OF MONTANA A CONSERVATION EASEMENT, AS PROVIDED FOR IN 76-6-203, FOR THE LEASED CABIN OR HOME SITE OR CITY OR TOWN LOT TO BE SOLD.

1 THE CONSERVATION EASEMENT MUST RUN WITH THE LAND IN
 2 PERPETUITY AND MUST:

3 (1) PROHIBIT SUBDIVISION OF THE LAND, LAKE, OR STREAM;

4 (2) FOR PROPERTY WITHIN 100 FEET OF A RIVER, STREAM,
 5 OR LAKE, PROHIBIT THE CUTTING OF TREES EXCEPT AS NECESSARY
 6 FOR CONSTRUCTION ON THE LOT, FIRE PREVENTION, SAFETY, OR
 7 PROTECTION OF PERSONAL PROPERTY; AND

8 (3) REQUIRE THAT ANY PERMANENT STRUCTURE BE SET BACK
 9 25 FEET FROM THE HIGH-WATER MARK OF A LAKE OR STREAM.

10 NEW SECTION. Section 5. Appraisal review board. The
 11 department shall establish an appraisal review board
 12 consisting of three independent appraisers who shall make
 13 the final decision on a disputed state appraisal MADE FOR
 14 PURPOSES OF [SECTION 3] WHEN THE APPRAISAL VALUE IS LESS
 15 THAN THE AMOUNT OF BID MADE PURSUANT TO 77-2-323.

16 SECTION 6. SECTION 77-2-324, MCA, IS AMENDED TO READ:

17 "77-2-324. Preference to lessee of land. The lessee of
 18 the land need not make a higher bid than others, but he
 19 shall,--if-bidding-an-equal-amount, have the option to match
 20 the high bid and must be given the preference. If the lessee
 21 matches the high bid, bidding must be reopened to all
 22 bidders, with the lessee retaining the right of preference
 23 to match the ultimate high bid and be awarded the sale."

24 NEW SECTION. Section 7. Extension of authority. Any
 25 existing authority to make rules on the subject of the

1 provisions of [this act] is extended to the provisions of
 2 [this act].

3 NEW SECTION. Section 8. Codification instruction.
 4 [Sections 3 and-4 THROUGH 5] are intended to be codified as
 5 an integral part of Title 77, chapter 2, part 3, and the
 6 provisions of Title 77, chapter 2, part 3, apply to
 7 [sections 3 and-4 THROUGH 5].

8 ~~NEW-SECTION:--Section-7:--Applicability:--Any CABIN OR~~
 9 ~~HOME-SITE-lease-entered-into-after-{the--effective--date--of~~
 10 ~~this--act}-must-contain-a-provision-allowing-the-lease-to-be~~
 11 ~~sold-IMPLEMENTING-{SECTION-3}-~~

-End-