

House BILL NO. 344

INTRODUCED BY Peck

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURES FOR UNIVERSITY SYSTEM LAND TRANSACTIONS; CLARIFYING THAT PROPOSED LAND TRANSACTIONS MUST COMPLY WITH THE REQUIREMENTS OF THE MONTANA ENVIRONMENT POLICY ACT AND WITH MONTANA ANTIQUITIES LAWS; REQUIRING LAND SALES BY PUBLIC AUCTION; AND AMENDING SECTION 20-25-307, MCA."

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

Section 1. Section 20-25-307, MCA, is amended to read:

"20-25-307. Disposition of land. (1) The board of regents may sell, exchange, and lease land and grant easements and licenses on land that:

(a) is held or administered by the board of regents or the system and that is held by the state for the use and benefit of the board of regents or the system; and

(b) was not granted to the state, the board of regents, or the system in trust specifically for the benefit and support of the system; and

(c) has been determined not to be needed for educational purposes in the next 50 years.

(2) The board of regents may not grant an estate or interest in land that was granted to the state, the system, or any person in trust for the support and benefit of the system.

(3) In disposing of any estate or interest in land pursuant to subsection (1), the board of regents shall obtain consideration that equals or exceeds the full market value of the land. For sales and exchanges, full market value must be determined by the board of regents after an appraisal by a certified or licensed appraiser. The appraisal must include an analysis and determination that no use restrictions, encumbrances, or other conditions have been placed on the land proposed for sale or exchange that would prevent the state from obtaining full market value. If the appraiser determines that the valuation is not complicated and estimates, based on available data, that the full market value of the property is \$10,000 or less, the board of regents may use a restricted or limited appraisal.

(4) Before approving an exchange of land, the board of regents shall give the public notice of the proposed exchange and an opportunity to comment. The board of regents shall, upon request of any

1 person, hold a public hearing in the area where the state land to be conveyed is located. Subject to  
 2 subsection (6), the board of regents may, after review of the comments, approve the exchange if it  
 3 determines that the exchange is in the best interests of the system.

4 (5) The sale of state land must be at public auction. Prior to the sale of land, the board of regents  
 5 shall ~~prepare a request for proposals to purchase the land and~~ publish public notice of the ~~sale~~ public  
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 12 land. The board of regents may sell the land only if it determines that the sale is in the best interests of the  
 13 system. ~~If the board of regents sells the land, the sale must be to the offeror whose proposal the board~~  
 14 ~~determines to be the most advantageous to the system, taking into consideration the price and the other~~  
 15 ~~evaluation criteria listed in the request for proposals.~~

16 (6) (a) The board of regents may sell or exchange the land only if it the board of regents first:

17 (i) requests and obtains the written concurrence of the board of land commissioners;

18 (ii) provides proof that no use restrictions, encumbrances, or other conditions have been placed  
 19 on the land proposed for sale or exchange that limit or restrict the number of potential bidders or prevent  
 20 the state from obtaining full market value for the land;

21 (iii) complies with the requirements of the Montana Environmental Policy Act provided in Title 75,  
 22 chapter 1, parts 1 through 3; and

23 (iv) complies with the requirements of Montana antiquities laws provided in Title 22, chapter 3,  
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25 (b) The board of land commissioners may refuse to concur if it determines that:

26 (i) the sale or exchange does not return to the state full market value;

27 (ii) ~~that~~ the sale procedure did not provide the public with a reasonable opportunity to submit  
 28 proposals to purchase the land, ~~or~~;

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30 (iv) the system has not provided proof of compliance with the requirements of subsections (6)(a)(ii)

1 though (6)(a)(iv).

2 (7) After obtaining written concurrence of the board of land commissioners required in subsection  
3 (6), the board of regents shall convey the land by deed, executed by the presiding officer of the board or  
4 other person designated by the board, without covenants of warranty."

5 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0344, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act revising the procedures for university system land transactions; clarifying that proposed land transactions must comply with the requirements of the Montana Environment Policy Act and with Montana Antiquities Laws; requiring land sales by public auction; and amending section 20-25-307, MCA.

ASSUMPTIONS:

1. The board of regents may sell or exchange land only if the board of regents complies with the requirements of the Montana antiquities laws provided in Title 22, chapter 3, part 4.
2. Compliance with title 22, chapter 3, part 4 is a normal course of business for the Montana Historical Society.

FISCAL IMPACT:

There is no fiscal impact.

*David Lewis* 1-30-97      *Ray Peck* 1-30-97  
DAVID LEWIS, BUDGET DIRECTOR      DATE      RAY PECK, PRIMARY SPONSOR      DATE  
Office of Budget and Program Planning

Fiscal Note for HB0344, as introduced

**HB 344**



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