EXHIBIT 3
DATE 3-22
HB ON RC

located within the boundaries of a federal irrigation project and is subject to all liens which the United States may have thereon by reason of its being located under such irrigation project.

(3) This section does not require any reservation in a patent which was not an express or implied reservation in the certificate of purchase pursuant to which the patent is issued. The statutes in effect when such certificate of purchase was issued must govern.

History: En. Sec. 96, Ch. 60, L. 1927; re-en. Sec. 1805.96, R.C.M. 1935; amd. Sec. 69, Ch. 428, L. 1973; R.C.M. 1947, 81-932(part); amd. Sec. 3, Ch. 157, L. 1981.

Cross-References

Irrigation districts — liens and charges, 77-2-315.

77-2-344. Copy of deed or patent as evidence. A certified copy of the record of any such deed or patent shall be received in evidence in all courts of record of this state the same as the original.

History: En. Sec. 96, Ch. 60, L. 1927; re-en. Sec. 1805.96, R.C.M. 1935; amd. Sec. 69, Ch. 428, L. 1973; R.C.M. 1947, 81-932(part).

77-2-345. Limitation for cancellation of patent. No action shall be brought to vacate or cancel any patent issued by the state after the expiration of 2 years from the date of such patent except upon the ground of fraud.

History: En. Sec. 97, Ch. 60, L. 1927; re-en. Sec. 1805.97, R.C.M. 1935; R.C.M. 1947, 81-933.

Cross-References

Fraud — actual and constructive, 28-2-404 through 28-2-406.

77-2-346 through 77-2-350 reserved.

77-2-351. Sale to or exchange of property with public entity. Notwithstanding any other section in this chapter, any lands may be sold to or exchanged for other land or for other consideration with another public entity on terms and in a manner that the board, after consultation with the appropriate legislative committee, may determine to be in the state's best interest, subject to The Enabling Act and constitutional restrictions. In the case of land that is not granted to or held by the state in trust for the support of the common schools, for a state institution, or for another specific purpose, the board may accept as partial or total consideration for the transfer of the land a binding commitment by the transferee to use the property to provide a community service or a benefit that fulfills a public purpose. The sale or exchange of the property may not be finally concluded until 60 days' public notice of the terms of the proposed sale or exchange has been given. As used in this section, "public entity" means any county, city, municipal corporation, school district, or special improvement or taxing district.

History: En. Sec. 1, Ch. 264, L. 1991; amd. Sec. 1, Ch. 272, L. 1995.

77-2-352 through 77-2-360 reserved.

77-2-361. Definitions. As used in 77-2-361 through 77-2-367, the following definitions apply:

(1) "Isolated parcel" means any state land not possessing a legal right of access by the public.

(2) "Land banking" means a process of selling various parcels of state land and using the proceeds from the sales to purchase other land, easements, or improvements that are likely to provide greater or equal trust revenue, as may be reasonably expected over a 20-year accounting period with an acceptable level of risk, for the affected trust and to diversify the land holdings of the various trusts.

History: En. Sec. 11, Ch. 355, L. 2003.

Compiler's Comments

Effective Date: Section 21, Ch. 355, L. 2003, provided: "[This act] is effective on passage and approval." Approved April 17, 2003.

77-2-362. State land bank fund — statutory appropriation — rules. (1) There is a state land bank fund. The proceeds from the sale of state trust land authorized by 77-2-361 through 77-2-367 must be deposited into the state land bank fund. The purpose of the state land bank fund is to temporarily hold proceeds from the sale of trust land pending the purchase of other land, easements, or improvements for the benefit of the beneficiaries of the respective trusts. A separate record of the proceeds received from the sale of trust land for each of the

Legislative Consultation on the Sale, Disposal, or Exchange of State Lands

(Source: Rules of Procedure, Montana Legislative Council)

Sections 77-2-302 and 77-2-351, MCA, authorize the Board of Land Commissioners to dispose of, sell, or exchange certain state lands after consultation with the appropriate legislative committee. The Legislative Council uses the following procedure to provide consultation on the disposal, sale, or exchange of certain state lands during the interim between legislative sessions:

The Board shall provide the Legislative Council with at least the following information with respect to potential land transfers proposed under 77-2-351, MCA (sale to or exchange of property with public entity):

1. What lands are involved?

    a. Provide an accurate written description of the properties involved, including a legal description and the acreage involved.

    b. Provide a general location map showing graphically the same information as required in the written description of the properties.

2. Are there restrictions on the transfer?

    a. Provide an affidavit documenting whether the land is or is not granted to or held by the state in trust for the support of the common schools, for a state institution, or for another specific purpose.

    b. Provide an affidavit indicating any known restrictions on the transfer or stating that there are none.

3. Are the terms of the proposed transfer in the best interest of the state?

    a. Document the proposed terms of the transfer and any alternative terms that may have been considered.

    b. If the transfer involves a binding commitment to use the property to provide a community service or a benefit that fulfills a public purpose, provide documentation showing the details of the commitment.

    c. Document that the transferee is a "public entity" as that term is used in 77-2-351, MCA.

4. Is the manner of the transfer in accordance with public policy?

    Document the proposed manner of the transfer, including plans for the required 60-day notice period.