

Amendments to Senate Bill No. 369
1st Reading Copy

Requested by Senator Tom Facey

For the Senate Taxation Committee

Prepared by Todd Everts
March 12, 2013 (6:52am)

1. Title, page 1, line 7.

Following: "SALE"

Insert: "AT THE REQUEST OF THE LESSEE OR IMPROVEMENT OWNER"

2. Title, page 1, line 10.

Following: "SALE;"

Insert: "EXEMPTING THE SALE OF CABIN OR HOME SITE LOTS FROM THE PROVISIONS OF TITLE 75, CHAPTER 1, PARTS 1 THROUGH 3; PROVIDING RULEMAKING AUTHORITY;"

3. Page 1, line 11.

Strike: the first "AND"

Following: "77-2-318,"

Insert: "AND 77-2-363,"

4. Page 2, line 19.

Following: "front"

Insert: ", except that any former cabin or home sites proposed for sale or sold by the board may possess a width less than 125 feet"

5. Page 3, line 2.

Strike: "all"

Insert: "those lands that were"

Strike: ":"

Insert: "on [the effective date of this act], at the request of a lessee or an improvement owner and with the consent of any mortgagee or other owner of an interest in the cabin or home site improvements, only if the requested sale is consistent with the board's constitutional fiduciary duty of attaining full market value and with the provisions of this part and if the sale is approved by the board."

6. Page 3, line 3 through line 7.

Strike: subsections (i), (ii), and (iii) in their entirety

7. Page 3, line 28.

Strike: "4"

Insert: "5"

8. Page 3, line 29.

Insert: "Section 4. Section 77-2-363, MCA, is amended to read:

"77-2-363. Land banking land sales and limitations -- sale preparation costs. (1) (a) The board may not cumulatively sell or dispose of more than 250,000 acres of state land. Seventy-five percent of the acreage cumulatively sold must be isolated parcels that do not have a legal right of access by the public. At any one time during the life of the land banking process, the board may not sell more than 20,000 acres of state land unless the board has acted to use the revenue from that land to make purchases pursuant to 77-2-364.

(b) The estimated fair market value must be determined by a Montana-licensed and Montana-certified appraiser.

(2) (a) A person bidding to purchase state land offered for sale shall 20 days prior to the day of auction deposit with the department a bid bond in the form of a certified check or cashier's check drawn on any Montana bank equal to at least 20% of the minimum sale price specified by the department pursuant to 77-2-323(1) to guarantee the bidder's payment of the purchase price. Bid bonds submitted to secure a bid upon a parcel formerly leased as a cabin or home site need only be equal to 5% of the minimum sale price as specified by the department.

(b) If the current lessee of the land to be sold has initiated the sale as authorized by 77-2-364, the lessee may cancel the sale by giving notice to the department at least 10 days prior to the day of the auction. When the sale is canceled by the lessee, the lessee shall pay the costs incurred by the department for the preparation of the sale, including any costs incurred for preparation of documents required by 75-1-201.

(c) The department shall retain the bid bond of the successful bidder and shall return the bid bonds of the unsuccessful bidders. If the successful bidder fails to comply with the terms of the sale for any reason, the successful bidder's bid bond must be forfeited and credited to the interest and income account of the proper trust.

(3) Except for a sale that is initiated by the lessee of the parcel of land proposed for sale, prior to the proposed sale of any parcel of state land under the land banking process, the board shall give 60 days' notice of the proposed sale to the lessee of the parcel to allow the lessee sufficient time to determine whether the lessee wishes to propose an exchange of the land to the board.

(4) For a sale initiated by the board or the department, the lessee of the land must be afforded all the rights and privileges to match the high bid, as provided in 77-2-324.

(5) (a) When Except as provided in subsection (6), when the lessee has initiated a sale of land under this section, the lessee shall remit to the department the estimated costs of preparing the parcel for sale, including but not limited to appraisals, cultural surveys, environmental review pursuant to Title 75, chapter 1, parts 1 through 3, and land surveys, if

necessary. Payment must be made within 10 days after the board has provided preliminary approval for the sale of the parcel.

(b) If the parcel is sold to the lessee, the funds remitted for the costs of the sale must be applied to the actual costs at closing. If the parcel is sold to a party other than the lessee, the funds remitted by the lessee must be refunded to the lessee and actual costs of preparing the parcel for sale must be assessed to the purchaser at closing.

(6) For the sale of a parcel formerly leased as a cabin or home site:

(a) the department shall assume the cost of the land survey;
and

(b) the sale is exempt from the provisions of Title 75, chapter 1, parts 1 through 3."

{Internal References to 77-2-363:

7-22-2154 *x	77-1-220 *x	77-2-337 *x	77-2-337 *x
77-2-361 *x	77-2-362 *x	77-2-362 *x	77-2-364 *x
77-2-364 *x	77-2-364 x	77-2-365 *x	}"

Renumber: subsequent sections

9. Page 3, line 30.

Following: "improvements"

Insert: "-- rulemaking"

10. Page 4, line 3.

Following: "land"

Insert: "and the value of any necessary access easement across existing state lands from the nearest public road. The appraisal to determine these values must be based upon comparable sales of nearby existing properties with the hypothetical condition that the state parcel to be sold is accessible for all lawful purposes. The appraisal must determine the raw undeveloped value of the parcel and the value of the permanent and immovable improvements"

11. Page 4, line 18.

Strike: "The"

Insert: "If the lessee consents to the terms and conditions of the proposed sale and the valuation of permanent and immovable improvements, the"

12. Page 5, line 3.

Insert: "(4) The board may adopt rules to implement the provisions of this section."

13. Page 5, line 8.

Strike: "4"

Insert: "5"

14. Page 5, line 9.

Strike: "4"

Insert: "5"

- END -