



Montana Legislative Services Division

Legal Services Office

TO: Environmental Quality Council
FROM: Helen Thigpen
DATE: August 18, 2011
RE: Legislative Administrative Rule Review Report

Pursuant to 75-1-324 and 5-5-215, MCA, the Environmental Quality Council is responsible for reviewing administrative rules within its jurisdiction. Staff for the Environmental Quality Council has prepared this report for informational purposes only. This report does not represent any action or opinion of the Environmental Quality Council and does not preclude additional action that may be taken by the Environmental Quality Council pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

MAR NOTICE NUMBER:

36-22-148

AGENCY/BOARD:

Department of Natural Resources and Conservation

RULE CLASSIFICATION: (e.g. substantive/interpretative/emergency/temporary)

Substantive

SUBJECT:

Grazing Leases – Minimum Rental Rates

NOTICE DESCRIPTION: (e.g. proposal notice/adoption notice)

Notice of Public Hearing on Proposed Adoption

SUMMARY OF RULE(S):

The Department is proposing to amend 36.25.110, ARM, which addresses minimum rental rates for grazing leases and licenses. Under the rule the rental rate for grazing leases and licenses is based on the animal-unit-month (AUM) carrying capacity of the land to be leased or licensed. The Department is proposing to increase the multiplier by which AUM is determined from 6.71 to 13.18.

The Department is also proposing to clarify that summer fallowing does not entitle any lessee or licensee to a refund or reduction of the rental rate. The lessee or licensee would

have to pay a rental price equal to the rental price for the entire year when the term begins after February 28 but before July 1 during the first year of the term or the rental price equal to half the yearly annual rental when the term begins after June 30 but before February 28 of the next year.

The Department estimates that the increase in the grazing rental rate will impact approximately 4,500 lessees and generate an additional \$5.2 million annually.

NOTES: (e.g. hearing dates)

The DNRC will hold public hearings at 7:00 p.m. in Dillon on September 12, in Great Falls on September 13, in Glasgow on September 14, and in Miles City on September 15. Check the Department's website for additional information on meeting locations.

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