

IN THE SENATE

SENATE BILL NO. 1342

BY RESOURCES AND ENVIRONMENT COMMITTEE

AN ACT

1 RELATING TO GRAZING LEASES; AMENDING SECTION 58-307, IDAHO CODE, TO PROVIDE
2 THAT ALL STATE LANDS MAY BE LEASED FOR A PERIOD OF UP TO FORTY YEARS FOR
3 GRAZING LEASES AND TO EXCLUDE GRAZING LEASES FROM CERTAIN HEARING RE-
4 QUIREMENTS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
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6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 58-307, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 58-307. TERM OF LEASE -- APPLICATION FOR RENEWAL -- ALLOWANCE FOR IM-
10 PROVEMENTS. (1) No lease of state trust lands shall be for a longer term than
11 twenty (20) years.

12 (2) Notwithstanding any other provisions of law, all state lands may
13 be leased for a period of up to twenty-five (25) years to the federal gov-
14 ernment, to federal agencies, state agencies, counties, or cities, school
15 districts or political subdivisions when leased for public purposes. Such
16 leases for public purposes may be entered into by negotiation and shall se-
17 cure a rental amount based on the fair market value of the state land.

18 (3) Notwithstanding any other provisions of law, all state endowment
19 trust lands may be leased for a period of up to thirty-five (35) years for
20 residential purposes as determined by the state board of land commissioners
21 including, but not limited to, single family, recreational cottage site and
22 homesite leases.

23 (4) Notwithstanding any other provision of law to the contrary, all
24 state lands may be leased for a period of up to forty (40) years for grazing
25 leases.

26 ~~(4)~~ (5) Notwithstanding any other provisions of law, all state endow-
27 ment trust lands may be leased for a period of up to forty-nine (49) years
28 for commercial purposes under such terms and conditions as may be set by the
29 board, provided that, for such leases in excess of twenty (20) years, the
30 board consults with the county commissioners of the county in which the lands
31 are located before leasing the lands, and the use for which the land is leased
32 shall be consistent with the local planning and zoning ordinances insofar
33 as is reasonable and practicable. For each lease in excess of twenty (20)
34 years, the department shall hold a hearing in the county in which the parcel
35 is located. Grazing leases shall be excluded from the hearing requirement.

36 ~~(5)~~ (6) The term "commercial purposes" means fuel cells, low impact
37 hydro, wind, geothermal resources, biomass, cogeneration, sun or landfill
38 gas as the principal source of power with a facility capable of generating
39 not less than twenty-five (25) kilowatts of electricity, industrial enter-
40 prises, retail sales outlets, business and professional office buildings,
41 hospitality enterprises, commercial recreational activities, multifamily
42 residential developments and other similar businesses. For purposes of

1 this section, farming leases, grazing leases, conservation leases including
2 lands enrolled in federal conservation programs such as the conservation
3 reserve enhancement program (CREP), noncommercial recreation leases, oil
4 and gas leases, mineral leases, communication site leases, single family,
5 recreational cottage site and homesite leases, and leases for other similar
6 uses, are not considered leases for commercial purposes. The terms fuel
7 cells, low impact hydro, wind, geothermal resources, biomass, cogeneration,
8 sun or landfill gas shall have the same definitions as provided in section
9 63-3622QQ, Idaho Code.

10 ~~(6)~~ (7) The board may require that all fixed improvements constructed
11 upon land leased for commercial purposes be removed or become the property of
12 the state upon termination of the lease, and that any heirs, encumbrances or
13 claims of third parties with respect to any improvements shall be expressly
14 subordinate and subject to the rights of the state under this section.

15 ~~(7)~~ (8) Except for oil and gas, mineral and commercial leases, the lease
16 year shall run from January 1 through December 31, and all leases shall ex-
17 pire on December 31 of the year of expiration.

18 ~~(8)~~ (9) All applications to lease or to renew an existing lease which
19 expires December 31 of any year, shall be filed in the office of the director
20 of the department of lands by the thirtieth day of April preceding the date
21 of such expiration. Such applications will be considered by the state land
22 board and be disposed of in the manner provided by law; except that the board
23 may reject conflicting applications for a lease for commercial purposes if
24 the lessee exercises the preference right to renew clause, and provided such
25 right is specified in the lease.

26 ~~(9)~~ (10) Where conflicts appear upon leases, except for mineral leases
27 which, pursuant to chapter 7, title 47, Idaho Code, contain a preferential
28 right to renew clause, such applications shall be considered as having been
29 filed simultaneously. However, nothing herein shall be construed to prevent
30 the state board of land commissioners from accepting and considering appli-
31 cations for new leases at any time.

32 ~~(10)~~ (11) In case improvements have been made on land while under lease
33 which is expiring, and the former lessee is not the successful bidder, but
34 the land is leased to another, the amount of such improvements shall be paid
35 to the former lessee. The following shall be considered improvements: plow-
36 ing done within one (1) year, provided no crop has been raised on the plowed
37 land after such plowing, fencing, buildings, cisterns, wells, growing crops
38 and any other asset which shall be considered an improvement by the director.

39 ~~(11)~~ (12) Commercial leases of the state lands shall not be subject to
40 the conflict auction provisions of section 58-310, Idaho Code. The board
41 may, at its discretion, consider individual applications or call for propos-
42 als and sealed bids by public advertisement, and may evaluate said proposals
43 and award the lease to the bidder whose proposal achieves the highest return
44 over the term of the lease and who is capable of meeting such terms and con-
45 ditions as may be set by the board; in the alternative, the board may call
46 for lease applications by public advertisement and if more than one (1) per-
47 son files an application to hold an auction in the same manner as provided in
48 section 58-310, Idaho Code. In all cases, the board must obtain a reasonable
49 rental, based upon fair market value of the state land, throughout the dura-
50 tion of the lease. The board may reject any or all proposals and any or all

1 bids, and may reoffer the lease at a later date if the board determines that
2 the proposals or bids do not achieve the highest and best use of the land at
3 market rental.

4 SECTION 2. An emergency existing therefor, which emergency is hereby
5 declared to exist, this act shall be in full force and effect on and after
6 July 1, 2024.