

1 HOUSE BILL NO. 535

2 INTRODUCED BY G. BENNETT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO STATE LAND CABIN
5 AND HOME SITES; REQUIRING THAT VALUATION OF IMPROVEMENTS MUST BE DETERMINED
6 THROUGH AN INDEPENDENT THIRD-PARTY APPRAISAL; CLARIFYING THAT THE PROCEEDS FROM ANY
7 SALE OF IMPROVEMENTS MUST GO TO THE OWNER OF RECORD OF THE IMPROVEMENTS;
8 CLARIFYING THAT OWNERSHIP OF THE IMPROVEMENTS ON STATE LAND PROPERTY SOLD OR
9 LEASED MUST REMAIN WITH THE OWNER OF RECORD UNTIL THE IMPROVEMENTS ARE SOLD OR
10 UNTIL THE PROPERTY AND IMPROVEMENTS ARE SOLD TO ANOTHER PERSON; DEFINING
11 "IMPROVEMENTS"; AMENDING SECTION 77-1-208, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
12 DATE."

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

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16 **Section 1.** Section 77-1-208, MCA, is amended to read:

17 **"77-1-208. Cabin site licenses and leases -- method of establishing value.** (1) The board shall set
18 the annual fee based on full market value for each cabin site and for each licensee or lessee who at any time
19 wishes to continue or assign the license or lease. The fee must attain full market value based on one of the
20 following methods:

21 (a) appraisal of the cabin site value as determined by the department of revenue. The licensee or lessee
22 has the option to pay the entire fee on March 1 or to divide the fee into two equal payments due March 1 and
23 September 1. The value may be increased or decreased as a result of the statewide periodic revaluation of
24 property pursuant to 15-7-111 without any adjustments as a result of phasing in values. An appeal of a cabin site
25 value determined by the department of revenue must be conducted pursuant to Title 15, chapter 15.

26 (b) establishing full rental market value through the use of an open competitive bidding process as
27 provided in 77-1-235.

28 (2) A current licensee or lessee may complete or renew the licensee's or lessee's current lease based
29 on valuation methods provided in subsection (1)(a), or at the end of the lease or license contract, the licensee
30 or lessee may choose to proceed with the valuation option provided in subsection (1)(b).

1 (3) The board shall set the fee of each initial cabin site license or lease or each current cabin site license
2 or lease of a person who does not choose to retain the license or lease. The initial fee must be based upon a
3 system of competitive bidding. The fee for a person who wishes to retain that license or lease must be determined
4 under the method provided for in subsection (1).

5 (4) (a) Subject to subsection (4)(b) and (4)(c), the board shall follow the procedures set forth in 77-6-302,
6 77-6-303, and 77-6-306 for the disposal or valuation of any fixtures or improvements placed upon the property
7 by the then-current licensee or lessee and shall require the subsequent licensee or lessee whose bid is accepted
8 by the board to purchase those fixtures or improvements in the manner required by the board.

9 (b) (i) A subsequent licensee or lessee may not take occupancy unless the license or lease contract and
10 the sale of improvements have been finalized. If a winning bidder has been identified and the transaction for the
11 sale of the improvements is in process, the current lessee shall pay a prorated lease fee based on the current
12 lease until the date that the sale of the improvements is finalized.

13 (ii) The valuation of improvements must be applicable to residential property inclusive of all improvements
14 and must be determined through an independent third-party appraisal.

15 (iii) A licensee or lessee may assign or rent any improvements.

16 ~~(iv) Within 3 years of canceling, terminating, or abandoning a cabin site lease, the owner of the~~
17 ~~improvements shall sell the improvements, remove the improvements, or transfer ownership of the improvements~~
18 ~~to the state. If ownership is transferred to the state, proceeds from the sale of the improvements must be paid~~
19 ~~to the owner who transferred the improvements. The board shall set the conditions of the sale of transferred~~
20 ~~improvements in order to sell the improvements in an expedient manner.~~

21 (iv) The proceeds of any sale of improvements pursuant to this part must go to the owner of record of the
22 improvements.

23 (v) Ownership of improvements on state land property that is leased pursuant to this section must remain
24 with the owner of record until the improvements are sold. Ownership of improvements on state land property that
25 is sold pursuant to 77-2-318 must remain with the owner of record until the improvements or the property and
26 improvements are sold to another person.

27 (5) For purposes of this section, "improvements" includes but is not limited to:

28 (a) a home or residence;

29 (b) outbuildings and structures;

30 (c) sleeping cabins;

- 1 (d) utilities;
- 2 (e) water systems;
- 3 (f) septic systems;
- 4 (g) docks; and
- 5 (h) landscaping."

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7 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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