

## HOUSE BILL NO. HB0114

Leasing and sale of state lands-amendments.

Sponsored by: Representative(s) Harshman, Chadwick,  
Henderson, Northrup, Stith and Walters and  
Senator(s) Barlow, Case, Pappas and Schuler

A BILL

for

1 AN ACT relating to state lands; revising provisions related  
2 to improvements made by a lessee of state lands; extending  
3 the maximum length of certain leases of state lands;  
4 authorizing leases for residential purposes; specifying  
5 that leases are required to comply with minimum state  
6 standards; and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 36-5-110(a), 36-5-111, 36-5-114(a)  
11 and (d), 36-5-115, 36-9-103 and 36-9-105 are amended to  
12 read:

13

14 **36-5-110. Right to make and remove improvements.**

15

1           (a) A lessee of state lands shall have the right to  
2 construct or make improvements upon state lands in an  
3 amount not to exceed ~~two thousand dollars (\$2,000.00)~~ four  
4 thousand dollars (\$4,000.00) per section for each separate  
5 improvement, without first obtaining permission. If the  
6 lessee or any other person desires to construct or make  
7 improvements upon state lands in excess of the value of ~~two~~  
8 ~~thousand dollars (\$2,000.00)~~ four thousand dollars  
9 (\$4,000.00) per section for each separate improvement, he  
10 shall file an application for permission to construct or  
11 make the improvements with the director, which shall be  
12 subject to allowance or rejection as the best interests of  
13 the state require. The director shall have authority to  
14 grant permission to construct improvements in excess of ~~two~~  
15 ~~thousand dollars (\$2,000.00)~~ four thousand dollars  
16 (\$4,000.00) per section for each separate improvement for  
17 fencing, water development, livestock handling facilities  
18 and range enhancements. Any other improvement ~~in excess of~~  
19 ~~two thousand dollars (\$2,000.00) per section for each~~  
20 ~~separate improvement~~ shall be applied for under a separate  
21 special use ~~permit~~ lease. Unless permission has been  
22 obtained in the manner provided by this section or the  
23 improvement has been registered as provided in subsection

1 (b) of this section, the owner of any improvement in excess  
2 of the value of ~~two thousand dollars (\$2,000.00)~~ four  
3 thousand dollars (\$4,000.00) per section at the time of  
4 construction of the improvement shall not be entitled to  
5 compensation therefor as provided by W.S. 36-5-111 and  
6 36-9-105, and upon the expiration of the lease the  
7 improvements shall forfeit to and become the property of  
8 the state; except, that within one hundred twenty (120)  
9 days from the date of the expiration of the lease, the  
10 owner may remove such improvements in a manner which  
11 minimizes injury to the land.

12

13 **36-5-111. Payment for or removal of existing**  
14 **improvements.**

15

16 Any applicant applying to lease state lands upon which  
17 there are fences, buildings, reservoirs, ditches, dams,  
18 wells, or other improvements of any kind, belonging to or  
19 made by another, or for which water rights or proportionate  
20 interests in irrigation reservoirs, canals, or systems,  
21 have been acquired, shall before receiving the lease, pay  
22 to the director for the use and benefit of the owner or  
23 maker of any improvements at the time of the execution of

1 the lease, the ~~contributory~~depreciated market value  
2 thereof as finally determined by the board in accordance  
3 with its rules and regulations; or the owner of the  
4 improvements shall, upon giving notice to the director in  
5 writing within the time fixed by board rule and regulation,  
6 have the right to remove those improvements in a manner  
7 which minimizes injury to the land; provided, that the  
8 improvements be removed within a period of one hundred  
9 twenty (120) days from the date of the expiration of the  
10 lease. For purposes of this section, "~~contributory value~~"  
11 "depreciated market value" means the ~~increased~~market value  
12 of the ~~property after the~~ lessee's ~~improvements are~~  
13 improvement at the time of the lease, after the useful life  
14 of the improvement is considered.

15  
16 **36-5-114. Leasing for industrial, commercial,**  
17 **residential and recreational purposes; authority; rental**  
18 **fees; rules and regulations.**

19  
20 (a) The board of land commissioners may lease for a  
21 term of not more than ~~seventy-five (75)~~ninety-nine (99)  
22 years state lands for industrial, commercial, residential  
23 and recreational purposes.

1

2 (d) The board shall promulgate rules and regulations  
3 implementing policies, procedures and standards for the  
4 long-term leasing of state lands for industrial,  
5 commercial, residential and recreational purposes under the  
6 provisions of W.S. 36-5-114 through 36-5-117, including  
7 provisions requiring compliance with all ~~applicable land~~  
8 ~~use planning and zoning laws~~ minimum standards adopted by  
9 state regulatory agencies, including the council on fire  
10 prevention and electrical safety, and permitting the board  
11 to terminate a lease for good cause shown.

12

13 **36-5-115. Leasing for industrial, commercial,**  
14 **residential and recreational purposes; "recreational**  
15 **purposes" defined.**

16

17 As used in W.S. 36-5-114 through 36-5-117 the term  
18 "recreational purposes" means land used for cabin sites,  
19 public camp sites, public parks and recreation areas, golf  
20 courses and any associated residential development, youth  
21 groups, ~~and~~ ski or winter sports areas and any other  
22 recreational purpose determined by the board of land  
23 commissioners.

1

2           **36-9-103. Appraisers for improvements.**

3

4 ~~All improvements upon~~ If any state ~~lands, when such~~ lands  
5 are to be sold as provided by W.S. 36-9-102, the purchaser  
6 and the owner of any improvements on the state lands shall  
7 negotiate for a period of ninety (90) days to determine the  
8 depreciated market value of the improvements. If the  
9 purchaser and the owner do not reach an agreement on the  
10 value of the improvements within the time period specified  
11 by this section, the depreciated market value of the  
12 improvements shall be appraised by three (3) disinterested  
13 persons who shall appraise the improvements separately from  
14 the lands, though they may be attached thereto. The ~~said~~  
15 appraisers shall, upon application of the ~~state land~~ board  
16 of land commissioners, be appointed by a judge of the  
17 district court of the judicial district wherein the lands  
18 are ~~situate~~ situated.

19

20           **36-9-105. Purchaser to pay owner depreciated market**  
21 **value of improvements; receipt.**

22

1        (a) If any state lands are sold upon which surface  
2 improvements, including irrigation works of any kind, have  
3 been made by a lessee, or for which water rights or  
4 proportionate interests in irrigation, reservoirs, canals,  
5 or systems, have been acquired, the improvements,  
6 irrigation works and water rights shall be appraised to  
7 determine their depreciated market value under the  
8 direction of the board. The purchaser of the lands, upon  
9 which improvements and irrigation works have been made, or  
10 for which water rights have been acquired as herein  
11 provided for, shall pay the owner of such improvements,  
12 irrigation works or water rights, as the case may be, the  
13 ~~contributory~~ depreciated market value thereof at the time  
14 of sale, and take a receipt therefor, and shall deliver the  
15 receipt to the director before he shall receive a patent or  
16 certificate of purchase. All ~~such~~ receipts shall be filed  
17 and preserved in the office of state lands and investments.  
18 For purposes of this section, ~~"contributory value"~~  
19 "depreciated market value" means the ~~increased market~~ value  
20 of the ~~property~~ lessee's improvement at the time of sale,  
21 after the ~~lessee's improvements are~~ useful life of the  
22 improvement is considered.

23

1       (b) For improvements to state lands made under a  
2 commercial or residential lease where the purpose of the  
3 lease is to develop and sell the improvement, the purchaser  
4 of the lands shall pay market value for the improvement. As  
5 used in this subsection, "market value" means the most  
6 probable amount the improvement contributes to the value of  
7 the property in a competitive and open market under all  
8 conditions requisite to a fair sale with the buyer and  
9 seller each acting prudently and knowledgeably and assuming  
10 the price is not affected by undue stimulus.

11

12       **Section 2.** This act is effective July 1, 2023.

13

14

(END)