

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Leasing and sale of state lands-revisions.

Sponsored by: Joint Revenue Interim Committee

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

1 **36-5-110. Right to make and remove improvements.**

2

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

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

14

15 **36-5-111. Payment for or removal of existing**
16 **improvements.**

17

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

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

17

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

21

22 (a) The board of land commissioners may lease for a
23 term of not more than ~~seventy five (75)~~ ninety-nine (99)

1 years state lands for industrial, commercial, residential
2 and recreational purposes.

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

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

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

1 recreational purpose determined by the board of land
2 commissioners.

3

4 **36-9-103. Appraisers for improvements.**

5

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

21

22 **36-9-105. Purchaser to pay owner depreciated market**
23 **value of improvements; receipt.**

1

2 (a) If any state lands are sold upon which surface

3 improvements, including irrigation works of any kind, have

4 been made by a lessee, or for which water rights or

5 proportionate interests in irrigation, reservoirs, canals,

6 or systems, have been acquired, the improvements,

7 irrigation works and water rights shall be appraised to

8 determine their depreciated market value under the

9 direction of the board. The purchaser of the lands, upon

10 which improvements and irrigation works have been made, or

11 for which water rights have been acquired as herein

12 provided for, shall pay the owner of such improvements,

13 irrigation works or water rights, as the case may be, the

14 ~~contributory~~ depreciated market value thereof at the time

15 of sale, and take a receipt therefor, and shall deliver the

16 receipt to the director before he shall receive a patent or

17 certificate of purchase. All ~~such~~ receipts shall be filed

18 and preserved in the office of state lands and investments.

19 For purposes of this section, ~~"contributory value"~~

20 "depreciated market value" means the ~~increased market~~ value

21 of the ~~property lessee's improvement at the time of sale,~~

22 after the ~~lessee's improvements are~~ useful life of the

23 improvement is considered.

1

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

12

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

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15

(END)