

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

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 that
5 leases are required to comply with minimum state standards;
6 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) and
11 (d), 36-5-115, 36-9-103 and 36-9-105 are amended to read:

12

13 **36-5-110. Right to make and remove improvements.**

1

2 (a) A lessee of state lands shall have the right to

3 construct or make improvements upon state lands in an amount

4 not to exceed ~~two thousand dollars (\$2,000.00)~~ four thousand5 dollars (\$4,000.00) per section for each separate

6 improvement, without first obtaining permission. If the

7 lessee or any other person desires to construct or make

8 improvements upon state lands in excess of the value of ~~two~~9 ~~thousand dollars (\$2,000.00)~~ four thousand dollars10 (\$4,000.00) per section for each separate improvement, he

11 shall file an application for permission to construct or make

12 the improvements with the director, which shall be subject to

13 allowance or rejection as the best interests of the state

14 require. The director shall have authority to grant

15 permission to construct improvements in excess of ~~two~~16 ~~thousand dollars (\$2,000.00)~~ four thousand dollars17 (\$4,000.00) per section for each separate improvement for

18 fencing, water development, livestock handling facilities and

19 range enhancements. Any other improvement ~~in excess of two~~20 ~~thousand dollars (\$2,000.00) per section for each separate~~21 ~~improvement~~ shall be applied for under a separate special use22 permit lease. Unless permission has been obtained in the

23 manner provided by this section or the improvement has been

1 registered as provided in subsection (b) of this section, the
2 owner of any improvement in excess of the value of ~~two~~
3 ~~thousand dollars (\$2,000.00)~~ four thousand dollars
4 (\$4,000.00) per section at the time of construction of the
5 improvement shall not be entitled to compensation therefor as
6 provided by W.S. 36-5-111 and 36-9-105, and upon the
7 expiration of the lease the improvements shall forfeit to and
8 become the property of the state; except, that within one
9 hundred twenty (120) days from the date of the expiration of
10 the lease, the owner may remove such improvements in a manner
11 which 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 there
17 are fences, buildings, reservoirs, ditches, dams, wells, or
18 other improvements of any kind, belonging to or made by
19 another, or for which water rights or proportionate interests
20 in irrigation reservoirs, canals, or systems, have been
21 acquired, shall before receiving the lease, pay to the
22 director for the use and benefit of the owner or maker of any
23 improvements at the time of the execution of the lease, the

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

14

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

18

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

23

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

11 (e) When leasing state lands for commercial or
12 residential purposes, the board shall promulgate rules and
13 regulations necessary to develop review criteria in
14 consideration of the following local government provisions
15 except to the extent that the provisions violate Article 18,
16 Section 3 of the Wyoming constitution:

17 (i) an adopted growth policy or a neighborhood
18 plan;

19 (ii) zoning regulations;

20 (iii) subdivision review;

21 (iv) annexation;

22 (v) plans for the extension of services; and

23 (vi) other actions related to local planning.

1

2 **36-5-115. Leasing for industrial, commercial,**
3 **residential and recreational purposes; "recreational**
4 **purposes" defined.**

5

6 As used in W.S. 36-5-114 through 36-5-117 the term
7 "recreational purposes" means land used for cabin sites,
8 public camp sites, public parks and recreation areas, golf
9 courses and any associated residential development, youth
10 groups, ~~and~~ ski or winter sports areas and any other
11 recreational purpose determined by the board of land
12 commissioners.

13

14 **36-9-103. Appraisers for improvements.**

15

16 ~~All improvements upon state lands, when such~~ If any state
17 lands are to be sold as provided by W.S. 36-9-102, the
18 purchaser and the owner of any improvements on the state lands
19 shall negotiate for a period of ninety (90) days to determine
20 the depreciated market value of the improvements. If the
21 purchaser and the owner do not reach an agreement on the value
22 of the improvements within the time period specified by this
23 section, the depreciated marked value of the improvements

1 shall be appraised by three (3) disinterested persons who
2 shall appraise the improvements separately from the lands,
3 though they may be attached thereto. The ~~said~~ appraisers shall
4 upon application of the ~~state land~~ board of land
5 commissioners, be appointed by a judge of the district court
6 of the judicial district wherein the lands are situate.

7

8 **36-9-105. Purchaser to pay owner depreciated market**
9 **value of improvements; receipt.**

10

11 (a) If any state lands are sold upon which surface
12 improvements, including irrigation works of any kind, have
13 been made by a lessee, or for which water rights or
14 proportionate interests in irrigation, reservoirs, canals, or
15 systems, have been acquired, the improvements, irrigation
16 works and water rights shall be appraised for depreciated
17 market value under the direction of the board. The purchaser
18 of the lands, upon which improvements and irrigation works
19 have been made, or for which water rights have been acquired
20 as herein provided for, shall pay the owner of such
21 improvements, irrigation works or water rights, as the case
22 may be, the ~~contributory~~ depreciated market value thereof at
23 the time of sale, and take a receipt therefor, and shall

1 deliver the receipt to the director before he shall receive
2 a patent or certificate of purchase. All ~~such~~ receipts shall
3 be filed and preserved in the office of state lands and
4 investments. For purposes of this section, ~~"contributory~~
5 ~~value"~~ "depreciated market value" means the ~~increased market~~
6 value of the ~~property~~ lessee's improvement at the time of
7 sale, after the ~~lessee's improvements are~~ useful life of the
8 improvement is considered.

9
10 (b) For improvements to state lands made under a
11 commercial or residential lease where the purpose of the lease
12 is to develop and sell the improvement, the purchaser of the
13 lands may pay market value for the improvement. As used in
14 this subsection, "market value" means the most probable
15 amount the improvement contributes to the value of the
16 property in a competitive and open market under all conditions
17 requisite to a fair sale with the buyer and seller each acting
18 prudently and knowledgeably and assuming the price is not
19 affected by undue stimulus.

20

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

22

23

(END)