

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Leasing and sale of state lands.

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;
3 authorizing leases for residential purposes; clarifying the
4 definition of recreational purposes; specifying that leases
5 are required to comply with minimum state standards; and
6 providing for an effective date.

7

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

9

10 **Section 1.** W.S. 36-5-114(a), (d)(intro) and by
11 creating a new subsection (e), 36-5-115, 36-9-103 and
12 36-9-105 are amended to read:

13

1 36-5-114. Leasing for industrial, commercial,
2 residential and recreational purposes; authority; rental
3 fees; rules and regulations.

4

5 (a) The board of land commissioners may lease for a
6 term of not more than seventy-five (75) years state lands
7 for industrial, commercial, residential and recreational
8 purposes.

9

10 (d) The board shall promulgate rules and regulations
11 implementing policies, procedures and standards for the
12 long-term leasing of state lands for industrial,
13 commercial, residential and recreational purposes under the
14 provisions of W.S. 36-5-114 through 36-5-117, including
15 provisions requiring compliance with ~~all applicable land~~
16 ~~use planning and zoning laws~~ subsection (e) of this section
17 and all minimum standards adopted by state regulatory
18 agencies, including the council on fire prevention and
19 electrical safety, and permitting the board to terminate a
20 lease for good cause shown. When the office of state lands
21 and investments initiates a request for a proposed leasing
22 of state lands, the office shall require not less than
23 thirty (30) days notice be provided:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

(e) The board shall promulgate rules providing review criteria related to the leasing of state lands for commercial or residential purposes. The review criteria shall provide for the consideration of the following local government provisions, except to the extent the provisions violate the Wyoming Constitution with respect to the administration of state lands:

(i) A growth policy or neighborhood plan adopted by the local government;

(ii) Zoning regulations;

(iii) Subdivision review;

(iv) Annexation;

(v) Plans for the extension of services;

(vi) Other provisions related to local land use planning.

1 **36-5-115. Leasing for industrial, commercial and**
2 **recreational purposes; "recreational purposes" defined.**

3

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

11

12 **36-9-103. Appraisers for improvements.**

13

14 ~~All improvements upon state lands, When such state~~ lands
15 are to be sold as provided by W.S. 36-9-102, if, after good
16 faith negotiations have occurred for a period of not less
17 than ninety (90) days and the purchaser of the lands and
18 the owner of improvements on the state lands cannot reach
19 an agreement on the current market value of the
20 improvements, the improvements shall be appraised by three
21 (3) disinterested persons who shall appraise the
22 improvements separately from the lands, though they may be
23 attached thereto. The said appraisers shall upon

1 application of the ~~state land~~ board of land commissioners,
2 be appointed by a judge of the district court of the
3 judicial district wherein the lands are situate. As used in
4 this section, "current market value" means the replacement
5 value of the improvement at the time of the sale of the
6 state lands, after the remaining useful life of the
7 improvement is considered.

8

9 **36-9-105. Purchaser to pay owner appraised value of**
10 **improvements; receipt.**

11

12 (a) Except as provided in subsection (b) of this
13 section, if any state lands are sold upon which surface
14 improvements, including irrigation works of any kind, have
15 been made by a lessee, or for which water rights or
16 proportionate interests in irrigation, reservoirs, canals,
17 or systems, have been acquired, the improvements,
18 irrigation works and water rights shall be appraised under
19 the direction of the board. The purchaser of the lands,
20 upon which improvements and irrigation works have been
21 made, or for which water rights have been acquired as
22 herein provided for, shall pay the owner of such
23 improvements, irrigation works or water rights, as the case

1 may be, the current market value of the improvements unless
2 a different value is agreed to between the owner of the
3 improvements and the applicant thereof, and take a receipt
4 therefor, and shall deliver the receipt to the director
5 before he shall receive a patent or certificate of
6 purchase. All such receipts shall be filed and preserved in
7 the office of state lands and investments. For purposes of
8 this ~~section~~subsection, "current market value" means the
9 replacement value of the lessee's improvement at the time
10 of transition of the lease, after the remaining useful life
11 of the improvement is considered.

12

13 (b) For improvements made to state lands subject to a
14 commercial or residential lease as provided under W.S.
15 36-5-114 through 36-5-117 and for which the purpose of the
16 commercial or residential lease is to develop and sell the
17 land along with the improvements, the purchaser of the
18 lands shall pay the market value of the improvements unless
19 a different value is agreed to between the purchaser and
20 the owner of the improvements. For purposes of this
21 subsection, "market value" means the most probable price
22 the value of the improvements contributes to the total
23 price of the sale in a competitive and open market under

1 all conditions requisite to a fair sale, the buyer and
2 seller each acting prudently and knowledgeably and assuming
3 the price is not affected by undue stimulus.

4

5 **Section 2.** This act is effective July 1, 2024.

6

7

(END)