



ADMINISTRATIVE RULES OF MONTANA



36.25.1001 DEFINITIONS

- (1) "Abandon" or "abandonment" means the simultaneous intent and voluntary act of surrendering or disclaiming any ownership of, or surrendering or disclaiming a property interest in a lease or the improvements existing upon a lease, or both.
- (2) "Assignment" means the transfer of rights, obligations, and ownership of a current lease agreement to another person or other legal entity qualified to hold a lease. Assignments must be executed on a form prescribed by the department, and are subject to department approval.
- (3) "Board," also referred to as "Land Board," means the Board of Land Commissioners.
- (4) "Cabin site," also referred to as "home site," means land leased or to be leased for single-family residential use that is noncommercial in nature
- (5) "Cancellation" means an involuntary nullification or voiding of rights under a lease before the end of its stated term due to a breach of the lessee's obligations under the lease contract.
- (6) "Department" means the Department of Natural Resources and Conservation.
- (7) "Improvement" means structures including, but not limited to:
 - (a) a home or residence;
 - (b) outbuildings;
 - (c) sleeping cabins;
 - (d) utilities;
 - (e) water systems;
 - (f) septic systems;
 - (g) docks;
 - (h) landscaping;
 - (i) any other structure necessary for the conservation or utilization of state trust land; and/or
 - (j) any other structure determined by the department to meet this definition.
- (8) "Lease" means a contract conveying state trust land for:
 - (a) a specific term of years;
 - (b) a specified lease fee; and

(c) use as classified under 77-1-401, MCA.

- (9) "Leased land" means the land leased for a cabin site, and does not include any improvements.
- (10) "Neighborhood" means a cabin site management region as determined by the department.
- (11) "Rental rate" means a percentage of the Department of Revenue (DOR) valuation of the leased land to derive a lease fee. The rental rate for renewing leases is 5 percent or \$800, whichever is higher, unless otherwise determined by the board. The minimum rate for new leases issued through a competitive bid is 6.5 percent unless reduced in accordance with these rules, or as otherwise determined by the board.
- (12) "Security bond" means an amount submitted by the lessee and held by the department throughout the term of the lease to secure costs incurred by the department as a result of activity or improvements upon the lease site.
- (13) "Security interest" means an interest a third party retains in any portion of the lease improvements located on that lease in order to secure the payment by the lessee to that third party.
- (14) "State trust land" means lands or property interests held in trust by the state as defined by 77-1-101, MCA.
- (15) "Trust(s)" means any one, or collectively all of the trusts, that receive income derived from department management of state trust lands.

Authorizing statute(s): 77-1-202, 77-1-204, 77-1-209, MCA

Implementing statute(s): 77-1-208, MCA

History: NEW, 2010 MAR p. 1293, Eff. 5/28/10; AMD, 2016 MAR p. 1020, Eff. 6/4/16.