



ADMINISTRATIVE RULES OF MONTANA



36.25.1009 ISSUANCE OF CABIN SITE LEASE ON UNLEASED AND RECLASSIFIED LAND

- (1) Unleased cabin sites are available to lease through a competitive bidding process.
 - (a) The minimum bid amount will be the first year's annual lease fee, determined by applying a rental rate to the land value. In no case will a bid be considered if it is less than the minimum lease fee specified in the bid solicitation.
 - (i) Rental rates for new bidding shall start at 6.5 percent for all neighborhoods, or as otherwise determined by the board (in accordance with ARM 36.25.1014).
 - (ii) The department may reduce the rental rate to 5 percent after 60 days if no bids are received.
 - (iii) In neighborhoods with vacancy rates over 30 percent, the department may incrementally reduce the rental rate after 60 additional days until the vacancy rate is no longer over 30 percent. The rental rate shall not be less than 3.5 percent or \$800, whichever is higher.
 - (b) The department will advertise unleased cabin sites for bid on the department web site, and may advertise through other marketing avenues.
 - (c) A response to a bid solicitation must be received prior to the bid closing date and time, at the location specified in the bid solicitation. The response must include the following:
 - (i) the bid form or application as provided by the department;
 - (ii) a bid deposit equal to 10 percent of the bid amount; and
 - (iii) the application fee as provided on the bid form.
 - (d) The department will specify whether the application fee and the bid deposit may be in the form of a cashier's check, money order, or from a credit card or similar electronic funds transfer for electronic bids.
- (2) The cabin site will be leased to the highest qualified bidder unless:
 - (a) the department, at its discretion, may determine the bid is not in the best interest of the trust and reject the bid. The department will issue its reason for the rejection in writing and may accept the next highest qualified bid;
 - (b) if no bidder is selected, or if the highest qualified bidder declines the bid, the department may determine if and when to reopen a lease for bid, or accept the next highest qualified bid.

- (3) The successful bidder shall sign and return the lease to the department within 30 days of receipt of the lease. If the lease is not signed and returned to the department within 30 days, the bidder forfeits the bid deposit, and the department may:
 - (a) advertise the lease for bid;
 - (b) accept the next highest qualified bid; or
 - (c) choose to offer the lease for bid at a later time.
- (4) The lease fee for the first year of a new lease is the bid amount divided by 365, and then multiplied by the number of days between the lease start date and the last day of the upcoming February.
- (5) Any former lessee who has had a cabin site lease cancelled and not reinstated by the board or department for nonpayment of lease fees may bid upon that cancelled lease, or any other cabin site lease provided that before the bid:
 - (a) the former lessee pays the unpaid lease fee billed for that cancelled lease; and
 - (b) the former lessee pays any unpaid taxes or similar assessments on the improvements, if bidding on that cancelled lease.
- (6) Any lessee who has had a cabin site lease cancelled and not reinstated by the board or department for any reason other than nonpayment of lease fees may be allowed to bid; however, the board or the department may reject any or all bids for a cabin site from a lessee who has had a cabin site lease cancelled in the past.
- (7) The successful bidder for a cabin site lease may be required to pay for the cost of any surveys, fulfillment of zoning and subdivision requirements, and other assessments or costs related to compliance with any other local, state, and federal statutes and regulations.

Authorizing statute(s): 77-1-202, 77-1-208, 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.