



ADMINISTRATIVE RULES OF MONTANA



36.25.1010 DURATION AND TRANSFER

- (1) A cabin site lease will be issued for a period not to exceed 15 years unless the cabin site lessee demonstrates a need for a longer period for loan security purposes, in which case the new lease may be issued in the discretion of the department for a period up to five years longer than the term of the loan up to a maximum lease period of 35 years. If a lease is issued for term longer than 15 years as provided in this section, the following will apply:
 - (a) a demonstration of need must be supplied to the department in the form of a request from the lender asking for the extended lease term;
 - (b) a cabin site lease will expire on February 28, 35 years or less from the beginning date of the lease;
 - (c) lease terms longer than 15 years are intended for loan security of dwelling improvements, not ancillary improvements such as septic tanks, wells, garages, and outbuildings; and
 - (d) the lender may submit a form provided by the department to document its security interest in the improvements on the lease land; and, to secure in advance a transfer of the lease to the lender in the event of lessee default.
- (2) If all rental payments due have been paid and the terms of the lease have not been violated, the lease may be assigned on forms provided by the department. Any assignment is subject to the following:
 - (a) no assignment shall be effective until it is approved by the department, and the assignment fee has been paid;
 - (b) the department reserves the right to withhold approval of an assignment pending compliance with lease terms and conditions; and
 - (c) at the time of assignment or other transfer of interest in the leasehold, the department must be notified in writing of the sale price of the improvements and be provided copies of any agreements reflecting the transfer of both the lease and improvements, such as, but not limited to a realty transfer certificate.
- (3) If the lessee, through enforcement of contract, foreclosure, tax sale, or other legal proceeding ceases to be the owner of the physical improvements, the department may—at its discretion—assign the lease to whom title has been transferred.

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.