ORIGINAL HOUSE BILL NO. <u>HB0003</u>

ENROLLED ACT NO. 49, HOUSE OF REPRESENTATIVES

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING 2022 BUDGET SESSION

AN ACT relating to state lands; specifying the preference for leases of state lands; conforming a related provision; and providing for an effective date.

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

Section 1. W.S. 36-5-105(b) and by creating a new subsection (h) and 36-5-108 are amended to read:

36-5-105. Criteria for leasing; preferences; assignments, subleases or contracts; lands taken for war purposes; mineral lands excepted; agricultural lands.

(b) In leasing vacant lands, preference shall in all cases be given to applicants who are bona fide resident citizens of the state No applicant shall be qualified to lease vacant lands unless that applicant is qualified under the provisions of W.S. 36-5-101, and to persons or legal entities authorized to transact business in the state, having has actual and necessary use for the land, has or can gain access to the land and who are the owners, lessees or lawful occupants of adjoining lands, who offer offers to pay an annual rental at not less than fair market value, as determined by the economic analysis pursuant to W.S. 36-5-101(b), for the same or similar use of the forage or other commodity available annually on the land for a period of ten (10) years and who has not been found to have significantly violated any laws or regulations related to state lands. Also in leasing vacant lands:

(i) Preference shall be given to applicants who are the owners, lessees or lawful occupants of adjoining lands, unless the board determines that the preference should not be recognized for good cause. The preference shall be administered as set forth in this paragraph:

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(A) In instances where one (1) applicant is eligible for the preference and a competing bidder is not, the applicant eligible for the preference may elect to meet the highest bid of the applicants not eligible for the preference;

(B) When two (2) or more applicants are eligible for the preference, in determining to which applicant to award the lease, the director shall request a final bid from the applicants eligible for the preference in a manner as directed by the director to determine the successful applicant;

(C) When two (2) or more applicants are eligible for the preference and one (1) or more applicants are not eligible for the preference, those applicants who are eligible for the preference may elect to match the highest bid. If two (2) or more applicants who are eligible for the preference elect to meet the highest bid, the lease shall be awarded pursuant to subparagraph (B) of this paragraph.

(ii) Before accepting applications to lease vacant land, the director shall provide notice on the website of the office, directly to each adjoining private landowner as recorded within the county assessor's office and by any other means as prescribed by rule;

(iii) If the board determines good cause exists not to recognize a preference under paragraph (i) of this subsection, the board shall issue written notice to the applicant who is not being given a preference. The notice shall include the board's statement of good cause not to recognize the preference and the opportunity to request a

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hearing to appeal the determination in accordance with the Wyoming Administrative Procedure Act. The board shall have the burden to demonstrate the good cause not to recognize the preference;

(iv) As used in this subsection:

(A) "Preference" means the elevated position of an applicant to participate in the vacant land bidding process as described in paragraph (i) of this subsection above applicants who are not the owners, lessees or lawful occupants of adjoining lands in good standing with the board;

(B) "Vacant land" means land not currently subject to a grazing and agricultural lease from the board.

(h) As used in subsection (c) of this section, "preferred right" means the right to renew a lease provided to an existing holder of a grazing and agricultural lease by the board if the existing lease holder is in compliance with subsection (c) of this section.

36-5-108. Even rental offers.

If two (2) or more qualified applicants <u>under W.S. 36-5-101</u> shall offer the same annual rental for the same lands, and such offers are the highest offers received and are equal to or above the minimum rental fixed by the board, and no <u>preference preferred right</u> exists in the old lessee, or if <u>such the</u> old lessee does not exercise <u>such preference the</u> <u>preferred right</u>, the director shall grant the lease to the applicant holding title to lands nearest to the lands applied for. When a <u>preference preferred right</u> exists in the old lessee under the provisions of this act, <u>he the old</u>

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<u>lessee</u> shall be given fifteen (15) days notice by registered mail, and if he fails or refuses to file his acceptance together with the balance of the rental due for the first year, within the time specified, the lease shall be awarded automatically to the applicant offering to pay the highest annual rental, or in the event of even offers, shall be disposed of as hereinbefore provided. <u>As used in</u> <u>this section, "preferred right" means as defined in W.S.</u> <u>36-5-105(h).</u>

Section 2. This act is effective July 1, 2022.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk