

IN THE SENATE

SENATE BILL NO. 1062

BY RESOURCES AND ENVIRONMENT COMMITTEE

AN ACT

1
2 RELATING TO LEASES ON STATE LANDS; AMENDING SECTION 58-307, IDAHO CODE, TO
3 REQUIRE THAT STATE LAND LESSEES COMPLY WITH LOCAL ORDINANCES AND TO RE-
4 QUIRE DISCLOSURE OF CERTAIN INFORMATION; AND DECLARING AN EMERGENCY AND
5 PROVIDING AN EFFECTIVE DATE.

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 58-307, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 58-307. TERM OF LEASE -- APPLICATION FOR RENEWAL -- ALLOWANCE FOR IM-
10 PROVEMENTS. (1) No lease of state trust lands shall be for a longer term than
11 twenty (20) years.

12 (2) Notwithstanding any other provisions of law, all state lands may
13 be leased for a period of up to twenty-five (25) years to the federal gov-
14 ernment, to federal agencies, state agencies, counties, or cities, school
15 districts or political subdivisions when leased for public purposes. Such
16 leases for public purposes may be entered into by negotiation and shall se-
17 cure a rental amount based on the fair market value of the state land.

18 (3) Notwithstanding any other provisions of law, all state endowment
19 trust lands may be leased for a period of up to thirty-five (35) years for
20 residential purposes as determined by the state board of land commissioners
21 including, but not limited to, single family, recreational cottage site and
22 homesite leases.

23 (4) Notwithstanding any other provision of law to the contrary, all
24 state lands may be leased for a period of up to forty (40) years for grazing
25 leases.

26 (5) Notwithstanding any other provisions of law, all state endowment
27 trust lands may be leased for a period of up to forty-nine (49) years for com-
28 mercial purposes under such terms and conditions as may be set by the board,
29 provided that, for such leases in excess of twenty (20) years, the board
30 consults with the county commissioners of the county in which the lands are
31 located before leasing the lands, and the use for which the land is leased
32 shall be consistent with the local planning and zoning ordinances insofar
33 as is reasonable and practicable. For each lease in excess of twenty (20)
34 years, the department shall hold a hearing in the county in which the parcel
35 is located. Grazing leases shall be excluded from the hearing requirement.
36 After executing any lease, permit, or other type of land use authorization
37 for commercial purposes, the state land board shall promptly give notice to
38 the county commissioners in the county for which the land use activity will
39 occur.

40 (6) The term "commercial purposes" means fuel cells, low impact hy-
41 dro, wind, geothermal resources, biomass, cogeneration, sun or landfill
42 gas as the principal source of power with a facility capable of generating

1 not less than twenty-five (25) kilowatts of electricity, industrial enter-
2 prises, retail sales outlets, business and professional office buildings,
3 hospitality enterprises, commercial recreational activities, multifamily
4 residential developments and other similar businesses. For purposes of
5 this section, farming leases, grazing leases, conservation leases including
6 lands enrolled in federal conservation programs such as the conservation
7 reserve enhancement program (CREP), noncommercial recreation leases, oil
8 and gas leases, mineral leases, communication site leases, single family,
9 recreational cottage site and homesite leases, and leases for other similar
10 uses, are not considered leases for commercial purposes. The terms fuel
11 cells, low impact hydro, wind, geothermal resources, biomass, cogeneration,
12 sun or landfill gas shall have the same definitions as provided in section
13 63-3622QQ, Idaho Code.

14 (7) The board may require that all fixed improvements constructed upon
15 land leased for commercial purposes be removed or become the property of the
16 state upon termination of the lease, and that any heirs, encumbrances or
17 claims of third parties with respect to any improvements shall be expressly
18 subordinate and subject to the rights of the state under this section.

19 (8) Except for oil and gas, mineral and commercial leases, the lease
20 year shall run from January 1 through December 31, and all leases shall ex-
21 pire on December 31 of the year of expiration.

22 (9) All applications to lease or to renew an existing lease which ex-
23 pires December 31 of any year, shall be filed in the office of the director
24 of the department of lands by the thirtieth day of April preceding the date
25 of such expiration. Such applications will be considered by the state land
26 board and be disposed of in the manner provided by law; except that the board
27 may reject conflicting applications for a lease for commercial purposes if
28 the lessee exercises the preference right to renew clause, and provided such
29 right is specified in the lease.

30 (10) Where conflicts appear upon leases, except for mineral leases
31 which, pursuant to chapter 7, title 47, Idaho Code, contain a preferential
32 right to renew clause, such applications shall be considered as having been
33 filed simultaneously. However, nothing herein shall be construed to prevent
34 the state board of land commissioners from accepting and considering appli-
35 cations for new leases at any time.

36 (11) In case improvements have been made on land while under lease which
37 is expiring, and the former lessee is not the successful bidder, but the land
38 is leased to another, the amount of such improvements shall be paid to the
39 former lessee. The following shall be considered improvements: plowing
40 done within one (1) year, provided no crop has been raised on the plowed land
41 after such plowing, fencing, buildings, cisterns, wells, growing crops and
42 any other asset which shall be considered an improvement by the director.

43 (12) Commercial leases of the state lands shall not be subject to the
44 conflict auction provisions of section 58-310, Idaho Code. The board may,
45 at its discretion, consider individual applications or call for proposals
46 and sealed bids by public advertisement, and may evaluate said proposals and
47 award the lease to the bidder whose proposal achieves the highest return over
48 the term of the lease and who is capable of meeting such terms and conditions
49 as may be set by the board; in the alternative, the board may call for lease
50 applications by public advertisement and if more than one (1) person files

1 an application to hold an auction in the same manner as provided in section
2 58-310, Idaho Code. In all cases, the board must obtain a reasonable rental,
3 based upon fair market value of the state land, throughout the duration of
4 the lease. The board may reject any or all proposals and any or all bids, and
5 may reoffer the lease at a later date if the board determines that the pro-
6 posals or bids do not achieve the highest and best use of the land at market
7 rental.

8 (13) All leases, permits, and other types of land use authorizations for
9 commercial purposes given by the state land board shall have a provision re-
10 quiring the signatory, including affiliated legal representatives, organi-
11 zations, or subcontractors, to comply with applicable county planning and
12 zoning ordinances.

13 (14) Revenues generated from leases, permits, or other types of land use
14 authorizations for commercial purposes shall not be exempt from public dis-
15 closure pursuant to section 74-107, Idaho Code.

16 SECTION 2. An emergency existing therefor, which emergency is hereby
17 declared to exist, this act shall be in full force and effect on and after
18 July 1, 2025.