



BRIEFING PAPER: State Land: Disposal/Sale/Lease/Restrict

– SB 199/HB 282

January 2024

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND & WATER

Authority to DOT&PF and DEED to Dispose of State Land:

Amend current statutes to allow the Department of Transportation & Public Facilities (DOT&PF) and Department of Education and Early Development (DEED) to transfer an interest in real property to a private party without having to transfer the land to DNR for disposal. This will streamline the disposal process and reduce multi-agency efforts.

Reduce Survey Requirements for Leases:

Amends current statute to allow DNR to have discretion as to when a survey is required for a long-term lease.

Standards of Road Construction for Land Sales:

Allows access roads to be built to a pioneer standards rather than the standard for all-weather roads and requires right-of-way widths to conform with municipality zoning requirements, but not a higher standard than a private citizen.

Increase Land Disposal Income Fund cap to \$12 million:

The limit to the Land Disposal Income Fund (LDIF) is proposed to be increased to \$12 million to provide a fund balance to support the department to develop and dispose of state lands and to offset inflation realized since the fund was established in 2000.

Authority for Auction, Terminations, and Contracts:

Amend current statute to clarify earnest money deposit requirements and termination of contracts and increases the maximum term of a contract from 20-years to 30-years. Amends statute to add a definition for “public auction.”

Commercial Use Land Sales:

New statute governing the leasing and sale of state lands deemed suitable for commercial development, either within Qualified Opportunity Zones (26 U.S.C. 1400Z-1 and 1400Z-2) or in other areas nominated and assessed by the state as appropriate for commercial development.

- Land can be nominated by the public
- Leasing option to complete requirements for sale and allow immediate commercial activity
- At any time during the term of the lease, a lessee in good standing may apply to purchase the leased lands
- Individuals have requested a program to allow for such sales

Agricultural Land Restrictions:

The bill amends current statutes to provide that agricultural activities are not limited to the primary use; this allows for supporting uses such as a bed and breakfast operations to support offset of agricultural development costs.