

1 HOUSE BILL NO. 931

INTRODUCED BY C. SCHOMER, L. BREWSTER, M. VINTON

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT A COMMERCIAL PURPOSE FOR THE
5 COMMERCIAL LEASING OF STATE TRUST LAND MAY INCLUDE DEVELOPMENT OF SINGLE-FAMILY
6 OR MULTIFAMILY RESIDENTIAL DEVELOPMENT UNDER A MASTER LEASE FOR THE PURPOSES OF
7 ATTAINABLE WORKFORCE HOUSING; REVISING DEFINITIONS; AND AMENDING SECTION 77-1-902,
8 MCA."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA,

Section 1. Section 77-1-902, MCA, is amended to read:

13 **"77-1-902. Definitions.** As used in this part, unless the context requires otherwise, the following
14 definitions apply:

15 (1) (a) "Attainable workforce housing" has the same meaning as provided in 90-6-143 means
16 housing of a monthly cost for a homeowner or a renter that, at the time of initial occupancy, equals no more
17 than 35% of 1/12 of the annual income of a family earning between 60% and 140% of the annual median
18 household income for the county in which the homeowner or renter resides or the state, whichever is less.

(b) Housing costs for a homeowner include a mortgage payment, property taxes, and insurance.

(c) Housing costs for a renter include monthly rent and utilities paid by the renter.

21 (d) A master lessee may not increase the monthly rent more than once per calendar year. If the
22 monthly rent is increased, the increase may not exceed the lesser of:

23 (i) 35% of 1/12 of the increase from the prior year in the annual median household income for the
24 county in which the renter resides;

25 (ii) 35% of 1/12 of the increase from the prior year in the annual median household income for the
26 state; or

27 (iii) 10% of the current year monthly rent

1 (2) "Cancellation" means the cessation of a lessee's possessory rights and privileges under a
2 lease due to the lessee's breach of some term of the lease, applicable statutes, or applicable administrative
3 rules.

4 (2)(3) "Commercial lease" means a contract to use state trust land for a commercial purpose.

5 (3)(4) (a) "Commercial purpose" means an industrial enterprise, retail sales outlet, business and
6 professional office building, warehouse, motel, hotel, hospitality enterprise, commercial or concentrated
7 recreational use, single-family or multifamily residential development authorized under a lease with a master
8 lessee, including a lease executed with a nonprofit corporation for the purposes of developing attainable
9 workforce housing, and other similar business.

10 (b) The term does not include the following uses:

11 (i) agriculture;

12 (ii) grazing;

13 (iii) exploration or development of oil and gas, minerals, and resources from geothermal, wind, or
14 solar;

15 (iv) single-family residences, home sites, and cabin sites licensed or leased pursuant to 77-1-208;
16 and

17 (v) utility rights-of-way.

18 (4)(5) "Land value" is the monetary value of the land determined by an appraisal by a certified
19 general appraiser or a department staff appraiser or by a limited valuation.

20 (5)(6) "Limited valuation" means estimating the land value of commercial lease land by analyzing
21 comparable land valuations conducted within 2 years of the lease commencement date as provided by real
22 estate appraisers, local tax assessors, local realtors, an evaluation of local market rents, or a combination of
23 those methods.

24 (6)(7) "Termination" means the automatic completion or ending of the term of a contract according to
25 its provisions. Upon termination, the lessee ceases to have any possessory rights or privileges under a lease."

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