



DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

CABIN/HOME SITE FREQUENTLY ASKED QUESTIONS

Thank you for your interest in leasing from the Montana Department of Natural Resources and Conservation (MT DNRC), Trust Land Management Division (TLMD). These cabin/home site leases are located on land held in trust for the benefit of Montana schools and other worthy institutions. MT DNRC is mandated to obtain the highest and best use for all trust land, including cabin/home site leases. Each trust land parcel spread across Montana is assigned to a different trust beneficiary (Montana schools or other institutions), which profits from the revenue generated from the leased property.

This process is unlike most leasing and/or renting scenarios you are familiar with, so please do not hesitate to ask additional questions if this document does not meet your needs. We are happy to assist you with the process.

Many terms used by our department are defined in administrative rule (ARM). There are commonly used words with definitions at the end of this document.

HOW DOES THIS WORK?

- **How does DNRC cabin site leasing work?**

In summary, a lessee leases (rents) the underlying land from the State of Montana. Many cabin/home site lease lots are vacant of improvements, however if there are improvements located on the site you will need to purchase the improvements from either a current/prior lessee, improvements owner or the MT DNRC.

HOW CAN I GET A LEASE?

- **How can I get a cabin site lease?**

There are two ways:

1. Bidding through this website for a vacant lot, with DNRC then issuing a lease to the successful bidder; or
2. Securing an active lease by having it transferred (assigned) to you by DNRC, at the request of a current lessee.

- **Can I visit the site and view the lot and/or improvements before I place a bid?**

Yes, the bid packages contain maps for reference. You may also contact the local leasing contact listed in the bid package to ask for directions and/or other information.

- **How do I purchase improvements on a lease that I would like to bid on?**

When you are bidding on a lease lot, you must get a lease executed before you close on purchasing the improvements. Bidders who want to secure an arrangement with the seller of improvements prior to submitting a bid on the lease will often consider placing a contingency in the buy-sell agreement to schedule the improvement closing after they have obtained a fully executed lease from DNRC. If you close on improvements prior to securing a lease you may be in trespass on state trust land.

KEY FACTS ABOUT LEASING TRUST LAND:

- **Can I use the property for a short-term rental?** No
- **Can I have livestock on the lease?** No
- **Can I use or grow marijuana on the lease lot?** No
- **Do you accept low-income subsidies for rent?** No
- **Can multiple families use the lease?** These are single family home or cabin site lots intended for residential use. Residential use is considered limited to lessees and lessees' immediate family and guests. There are allowances for short-term, infrequent, larger, noncommercial events such as holiday gatherings. All use/gatherings must be limited to the residential lease lot and cannot expand onto adjoining DNRC land. If you have any questions; please contact your local DNRC lease manager.
- **Can I have multiple RVs on my lease?** No. As noted, these are single family lots; RVs are considered improvements and approval from DNRC and other applicable agencies is required before bringing them onto the lot.
- **When can I access the lot if I am the successful bidder (applies to leases won through our bidding process)?** After your lease is fully executed, (by both you and DNRC), you may access the property. It takes approximately 60 days to fully execute a lease.
- **When can I start tearing down and/or constructing improvements?** After your lease is fully executed, you must submit a written application and other required documents to your local field office lease manager. When the lease manager has given you written approval, you may proceed.
- **Is DNRC the only agency I have to get approval from for installing improvements on the lease?** You must always start the improvement request process with the field office that manages your lease. There are the same requirements for development on a leased lot that you would have to meet on private property, as well as obtaining DNRC's approval. If DNRC and another agency both have applicable regulations, the stricter regulation prevails.
- **What can I build on the lot?** Typically, structures consistent with single family use would be applicable. However, DNRC cannot represent that a particular project will be approved until you are a lessee and submit an application.
- **What if my lender wants a longer-term lease?** New leases are generally 15 years; assigned leases have a stated expiration date. If this is not a sufficient lease term for your lender, and/or your lender has questions about DNRC's leasing program, the lender should contact your local field office for information on lease length alternatives and other information to assist with your lending.
- **As a lessee can I rent the house/improvements from the previous lessee or improvements owner?** No, the lessee(s) name(s) on the finalized lease or assignment document is required to be the same name as the owner(s) of record for the improvements.
- **Are the improvements included in the lease (rent) payment?** No, they are separate; the lease/rent payment is for the land only; you purchase the improvements separately.

- **Can I cut down a tree on my state leased lot without permission? What if it is a dead tree?** No, you must get permission from your local DNRC office first because the trees belong to DNRC. You do not need an improvement request but cutting live or dead trees does require that you purchase a firewood or timber permit from the local Unit office. The cost will be based on the number and type of trees you wish to cut. For instance, a firewood permit is a minimum of \$20 (\$10/cord and a 2-cord *minimum*), while a timber permit may be necessary if the tree(s) could be utilized as logs and are more valuable. In emergency situations your DNRC Unit may at its discretion expedite the permitting process.
- **Can I hunt/shoot/fish on my lease lot?** Non-commercial, non-outfitted fishing is allowed on lease lots, provided you are appropriately licensed (<https://ols.fwp.mt.gov/>). Hunting is not allowed as these lease lots are typically located in residential areas. (35.25.149(c))
- **How often am I billed for my lease rental?** You have two options for invoicing and payments, you can make one payment annually: the invoice will be sent the first week of January and full payment is due March 1; or you can make two semi-annual (half) payments: first invoice will go out the first week of January and payment is due March 1, the second invoice will go out the first week of July and will be due September 1.
- **Will I be charged the full year's lease amount when I get a new lease, or can I just pay a half year?** You will be able to elect whether you prefer an annual or semi-annual payment structure (see explanation for billing options above). *For new lessees that have won the lease through DNRC's bidding process the bid deposit submitted with the bid application will be applied to the amount remaining for that year.
- **How are lease rates calculated?** Lease rates are calculated based on Montana Department of Revenue (DOR) values based on the current statute and rule mandated methodologies.

CABIN/HOME SITE SALE QUESTIONS:

General cabin/home site sales information can be found here: <http://dnrc.mt.gov/TrustLand/land-transaction-easements/cabinsites> There is a resource section on the right hand side of the page.

- **If I become a lessee, will I be able to purchase my lot?** Possibly, but there are no guarantees. DNRC solicits interest in purchasing periodically and will evaluate each lot sale individually. There are circumstances that prevent DNRC approval for home or cabin site land/lot sales; the ultimate decision for any state land sale is up to the State Land Board.
- **What if I don't want to buy my lease? Will the state sell it out from under me?** No, the sales program is voluntary on behalf of the current lessee.

DEFINITIONS:

Administrative Rule Definitions (ARM 36.25)

- **Assignment:** means the transfer of rights, obligations, and ownership of a current lease agreement to another person or other legal entity qualified to hold a lease. Assignments must be executed on a form prescribed by the department and are subject to department approval.
- **Cabin Site:** also referred to as "home site," means land leased or to be leased for single- family residential use that is noncommercial in nature.
- **Improvements:** means structures including, but not limited to: (a) a home or residence; (b) outbuildings; (c) sleeping cabins; (d) utilities; (e) water systems; (f) septic systems; (g) docks; (h) landscaping; (i) any other structure necessary for the conservation or utilization of state trust land; and/or (j) any other structure determined by the department to meet this definition.
- **Lease:** means a contract conveying state trust land for: (a) a specific term of years; (b) a

specified lease fee; and (c) use as classified under [77-1-401](#), MCA.

Other Definitions (not defined in ARM):

- Livestock: Horses, bovine animals, sheep, goats, swine, donkeys, mules, chickens, other poultry, and non-domesticated ungulates such as elk, deer, and moose.
- Short-term Rental: Also called vacation rentals (i.e. VRBO, AirBnB, etc.).
- Tax Deed: refers to a legal document granting ownership of a property to a government body when the owner fails to pay any associated property taxes. A tax deed gives the government agency the authority to sell the property to collect the delinquent taxes.