Frequently Asked Questions:

For those interested in the Cabin Site and Home Site Sales that are not current DNRC Cabin Site & Homesite Lessees

*Responses Based on Administrative Rules of Montana (ARM) effective January 1, 2014

** Updated September 2026

Basics

Why is the DNRC selling Cabin/home Sites?
During the 2013 Regular Legislative Session, Senate Bill 369 (SB369) was passed. The bill allowed for the sale of cabin/home sites at the request of the lessee (or owner of improvements upon a cancelled lease) if the sale is approved by the Land Board and is consistent with the Board's fiduciary duty of attaining full market value.

How long does the sale process take?
The estimated timeline for a cabin/home site sale from auction to the time of closing will take approximately 3 - 4 months

What is the Land Board approval process?
Each cabin and home site sale requires approval of the State Board of Land Commissioners (Land Board). The Land Board grants preliminary approval after each sale has been nominated and prior to appraisal. After appraisal, the Land Board sets the minimum bid amount of the land and the maximum value of compensation for the improvements. A third and final approval is needed after the property has been auctioned.

Why does the land have to be sold at a public auction?
The sale of all state lands must be sold by public auction as required by state statute and the Enabling Act of 1889. https://courts.mt.gov/external/library/docs/enablingact.pdf

What are the recent changes to the cabin site sales program?
Senate Bill 49 (SB49) was passed during the 2023 Legislature and modified MCA 77-2-363 to encourage competitive bidding on cabin and home site sales. SB49 eliminates the option for the

lessee of the cabin or home site to withdrawn from the program and cancel the auction if another bidder has registered for the auction. However, the current lessee of a cabin or home site will still be allowed to match the highest bid at auction.

Costs

What are the costs involved?

In addition to the purchase price of the land, a cabin and home site buyer will be required to purchase the improvements from the current improvement owner, as well as pay processing costs associated with preparing a cabin/home site lease lot for sale. The processing costs include but are not limited to:

- *Cost of the appraisal attributable to the improvements;*
- *Legal advertisement of sale;*
- *Environmental review (if required);*
- *Document recording fees; and*
- *Water rights transfers.*
- *Indirect Costs pursuant to MCA 17-1-106*

The Auction Process

How can I participate in the Auction?

In order to register for the auction, you must submit the following items by the deadline:

- *Bid deposit equal to 5% of the minimum bid for the land in the form of a cashier's check or other certified funds drawn on any Montana bank*
- *Proof of funds or prequalification letter for the total of the minimum bid for the land plus the improvements value*
- *Offer to Purchase and Bid Deposit Receipt form with notarized signature(s)*

Where will the auction take place?

Auctions must take place in the county seat for the county where the parcel is located. Typically, this is at the county courthouse or in some instances, the local DNRC office, if one is located in the county seat.

Do I have to be present for the auction?

Yes. All qualified bidders wishing to participate in the auction must appear in person or be represented by a legal representative at the auction. If you are unable to attend, a Power of Attorney form must be submitted prior to auction in order to designate a legal representative for the auction.

What is the process for bidding on auction day?

DNRC staff will hold a public oral auction for the sale of the land. All qualified bidders wishing to participate in the auction must appear in person or be represented by a legal representative at the auction to present an oral bid. All bidding will be for the land only. Only qualified bidders will be allowed to bid. The minimum bid amount will be set by the Land Board based on the appraised value of the land. Bids for less than the minimum amount will not be accepted. If there are multiple qualified bidders, the bidding will continue until no one wishes to offer a higher bid. If one of the qualified bidders is a current lessee, they will be allowed to match the highest bid until such time that there is no longer a higher bid, or the current lessee does not wish to match the highest bid. The land will be sold to the highest bidder who consummates the terms of the sale. All improvements owners will have signed an Agreement to Sell Improvements Form prior to the auction. The closing of the sale of the improvements is conducted between the improvements seller and the purchaser and must be completed simultaneously with the closing of the land sale. The successful bidder will sign a Real Estate Buy-Sell Agreement for the Sale and Purchase of State of Montana Cabin/Home Site Sale Form at the close of the auction

Closing

What happens after the auction?

The sale of the land must be taken to the Land Board for Final Approval. Upon approval, the department will prepare closing documents, including settlement statements, deeds and any necessary easements.

Can I begin work on the property after the auction?

No, you will not be authorized to proceed with adding new improvements, and/or changes to the property or improvements (including but not limited to utilities) until the sale has closed.

How is title transferred?

The department conveys title to the land by Patent or Quitclaim Deed. The state does not warrant title, but you have the option to purchase title insurance at your own expense. Transfer of the improvements happens between the seller and the purchaser, but DNRC will use a title company for closing to facilitate the transfer of improvements.

How long will the winning bidder have to close on the sale of land and improvements?

DNRC will set a closing date that is mutually agreeable to both parties provided that such date shall be within one hundred twenty (120) days of final approval of the Land Board. DNRC will choose the closing agent. If closing with a title company, purchaser shall pay the balance of the purchase price on the date of closing. If Bureau is conducting the closing, the purchaser shall pay the balance of the purchase price within 30 days of the dated closing instructions letter sent

to purchaser. An additional 30 days may be granted at the purchaser's request to the Bureau in writing.

How will closing occur on the sale of the land?
Closings may occur by mail or with a Title Company. Closing of the improvements happens between the seller and the purchaser and must be completed simultaneously with the closing of the land.

What are my financing options?
Sales of state land are on a cash only basis. Purchasers will need to seek financing from a lending agency if necessary.

How do I obtain legal access the property?
GRANT OF ACCESS: The State does not guarantee access. As part of the sale process, the State will convey any access that it may have and can convey to provide legal access to the cabin site or home site. RESERVED ACCESS: The State may reserve a right of access up to 60-foot wide upon existing access roads and/or driveways across the sale parcel for the purpose of continuing access to adjoining leased or unleased lands owned by the State. It is understood and agreed that any such reservation by the State will be partially assigned to any subsequent purchasers of State Land who rely on these roads and driveways for legal access. GENERAL PROVISIONS OF ACCESS: Purchasers and Lessees are responsible for road maintenance. Purchasers may be required to join a road users association when deemed necessary by the State to manage maintenance responsibilities.

After Closing

What happens after closing?
Recorded documents will be mailed directly to you from the County Clerk and Recorder. Property taxes will be assessed on the property beginning at the closing date.

How can I make changes to my property after closing?
Once in private ownership, cabin and home site lots are subject to all existing easements or claim of easements, rights of way, protective covenants, zoning ordinances and applicable building codes, laws and regulations, encroachments, overlaps, boundary line disputes. Once in private ownership, cabin and home site lots are subject to applicable state, federal, and local laws and regulations, including the Montana Department of Environmental Quality requirement for review of any new or increased use of water supply or sewage disposal system and the Montana Natural Streambed and Land Preservation Act (310 Law).

Will I be able to expand my lot after purchase, as needs arise for additional acreage?

No, cabin and home site lots are being sold as-is. No changes to the lot boundaries are possible after purchase of the lot. DNRC will not sell additional land to accommodate for septic expansion, well-isolation zones or other property development needs.