

SENATE BILL NO. 381

INTRODUCED BY D. EMRICH

A BILL FOR AN ACT ENTITLED: "AN ACT MAKING CERTAIN STATE LANDS AVAILABLE FOR HOMESTEADING; REQUIRING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO IDENTIFY STATE-OWNED LANDS FOR HOMESTEADING; PROVIDING QUALIFIED HOMESTEADER REQUIREMENTS; REQUIRING THE DEPARTMENT TO SELL HOMESTEAD DEEDS FOR THE FULL MARKET VALUE OF THE PROPERTY; ~~AND PROVIDING RULEMAKING AUTHORITY;~~ AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. State land available for homesteading -- requirements -- rulemaking.**

(1) By [1 year after the effective date of this act], the department shall identify all state lands of less than 100 contiguous acres in size that are suitable for homesteading pursuant to subsection (2).

(2) State lands are suitable for homesteading if:

- (a) there is legal access to the property;
- (b) the land is undeveloped;
- (c) the property is not designated as a state park or fishing access site;
- (d) the property does not have physical barriers making development impracticable; and
- (e) the property does not have legal restrictions that prevent the sale and development of the property for homesteading.

(3) A qualified homesteader is a person who has been a continuous Montana resident for the past 10 years.

(4) The department shall make the property identified under subsection (1) available for homesteading by qualified homesteaders in parcels no larger than 5 acres in size. The sale of homestead deeds under this section is exempt from subdivision laws, except that the development of a new or additional water supply or sewage disposal system on the property must be approved pursuant to the review procedure,

# Amendment - 1st Reading-white - Requested by: Daniel Emrich - (S) Natural Resources

- 2025

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Drafter: Maddie Krezowski,

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1 fee, and other requirements of Title 76, chapter 4, part 1.

2 (5) A qualified homesteader may apply to the department to purchase a homestead deed under  
3 subsection (4) before ~~January 1, 2037~~ October 1, 2033. The qualified homesteader shall pay full market value  
4 for the homestead deed as determined under subsection (6).

5 (6) Prior to the sale of a homestead deed under subsection (5), the department shall determine the  
6 full market value of the land. The appraisal must be based on comparable sales of nearby existing properties.

7 (7) If a qualified homesteader applies under subsection (5) to purchase a homestead deed, a  
8 current lessee of the land must first be given preference to purchase the land at the purchase price for the  
9 homestead deed. A current lessee who purchases land under this subsection is not required to meet the  
10 requirements under subsections (8) or (9).

11 (7)(8) A qualified homesteader shall build a home on the land with a permanent foundation within 5  
12 years of acquiring the homestead deed to the property. The home built on the land must be the qualified  
13 homesteader's primary residence.

14 (8)(9) If the qualified homesteader fails to fulfill the requirements of subsection (7)(8) within 5 years,  
15 the title of the property and any improvements on the property revert to the ownership of the state, and the  
16 department shall refund the purchase price of the homestead deed to the qualified homesteader.

17 (9)(10) The department shall adopt rules necessary to implement this section by [1 year after the  
18 effective date of this act].

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20 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an  
21 integral part of Title 77, chapter 1, part 1, and the provisions of Title 77, chapter 1, part 1, apply to [section 1].  
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23 NEW SECTION. Section 3. Effective date. [This act] is effective October 1, 2025.  
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25 NEW SECTION. Section 4. Termination. [This act] terminates October 1, 2038.  
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