

15-08-26. Removal of or payment for improvements upon termination of lease.

The lessee of any lands under the control of the board of university and school lands, within one hundred twenty days after the expiration date or cancellation date of a lease may remove any nonpermanent improvements placed upon the lands by the lessee if the removal can be accomplished without material damage to the land. Permanent improvements may not be placed on the land without written consent of the commissioner of university and school lands. A lessee requesting a permit to place permanent improvements on the land shall complete an application form prepared by the commissioner. The cost of completing the permanent improvement is the lessee's expense. The commissioner may approve depreciation of all or a portion of the cost of the permanent improvement over a period not to exceed ten years. The commissioner may also require the lessee to submit all documentation deemed necessary by the commissioner to determine the cost. The cost may not include any reimbursements to the lessee. The next lessee or purchaser, in addition to paying the purchase price or rental of the land, shall pay to the preceding lessee the undepreciated cost, if any. The commissioner may cancel any undepreciated cost of constructing a permanent improvement if the lessee fails to offer the minimum bid for the land and the land is not leased at the next auction at which the land is offered or if the lessee fails to comply with the conditions of the lease agreement. Permanent improvements placed on the property must be deemed the property of the state. For purposes of this section, permanent improvements include buildings, wells, dams, waterholes, waterlines, and trees and nonpermanent improvements include fences, corrals, water tanks, and feed bunks.