

## LEGISLATIVE BILL 894

Approved by the Governor April 16, 1974

Introduced by DeCamp, 40

AN ACT to amend sections 72-232, 72-234, and 72-242, Reissue Revised Statutes of Nebraska, 1943, relating to school lands and funds; to provide for a rental basis; to provide an interest rate; to provide for commercial advertising; to provide an expenditure limit; to provide procedures for lease relinquishment; to provide for an annual report and approval of future projects; to make appropriations; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 72-232, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-232. All unsold lands shall be subject to lease at an annual rental of four per cent on the appraised rental value; Provided, that whenever the four per cent rental is adopted, the unsold lands shall be appraised in accordance with section 72-205, the rental value to be at actual value as determined by the Board of Educational Lands and Funds. The Board of Educational Lands and Funds shall have authority to adopt such rules and regulations as it shall deem necessary in the leasing of such lands and to prescribe such terms and conditions of the lease, not inconsistent with this act, as it shall deem necessary to protect the interests of the state and of the trust. The board shall adopt and enforce a soil conservation program. Failure of the lessee to utilize the land for the purpose for which the land was leased or to observe and carry out soil conservation requirements as provided in the rules and regulations of the board shall be cause for cancellation of the lease. No individual, partnership or corporation shall be entitled to hold under lease a total of more than six hundred forty acres of state educational lands, whether the same be acquired by direct lease or by assignment; Provided, said limitation shall not apply where the land to be leased is bounded entirely on one side thereof by lands owned or operated by such applicant or assignee.

Sec. 2. That section 72-234, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-234. Upon payment to the Board of Educational Lands and Funds of the rental due upon such application to lease, the board shall, if the foregoing proceedings appear to be regular, issue to the applicant a receipt for the payment and a lease on the land. Each lease shall contain a covenant or provision (1) that the Board of Educational Lands and Funds may, whenever such board deems it to be for the best interest of the state, reappraise such lands; (2) that the lessee will not sublease or otherwise dispose of such lands without the written consent of the board and will commit no waste or damage on the land nor permit others to do so; (3) that the lessee will observe and carry out soil conservation requirements according to the rules and regulations of the board; (4) that the lessee will pay for the use of such lands the annual rental of four per cent per annum upon the appraised value thereof; (5) that, upon a failure to pay any rental for a period of six months from the time the payment becomes due or upon failure to perform any of the covenants of the lease, the lease may be forfeited and fully set aside, as provided for in sections 72-235 to 72-239; (6) that the lessee will promptly pay the rental semiannually in advance; and (7) that in the event the lessee shall fail to pay rental in advance by the due date, interest shall be assessed at an annual interest rate of nine per cent until such time as the rent is paid; and (8) that the premises will be surrendered at the expiration of the lease, unless renewed, or upon violation of any of the terms of the lease. Leases shall be for periods of twelve five to twelve years less the period intervening between the date of the execution of the lease and December 31 of the previous year; Provided, that when two or more contiguous tracts are under separate lease with different expiration dates the board may, if it is deemed to be in the best interest of the state, offer leases for less than twelve years on tracts having the earlier lease expiration date, to coincide with the last expiring lease, in order that all contiguous lands eventually may be offered under one lease.

Sec. 3. That section 72-242, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

72-242. The publisher of any advertisement in connection with the forfeiture, leasing or sale of any educational lands shall be allowed the fees fixed by law for publishing legal notices, or standard commercial rates when the board elects to use commercial advertising.

Sec. 4. The cost of administering unscold school lands shall include expenditures necessary for developing such school lands to their most productive use. All expenditures shall be directed by the board in exercising its responsibility as a trustee over the school land trust and shall not exceed twenty per cent of all rental and bonus payments of the previous year, which amount shall be annually appropriated to the board for payment of development and improvement costs completed and approved by the board upon contracts let for this purpose. All rental and bonus payment deductions as authorized by this section shall be deposited by the board into the state treasury and by the State Treasurer credited to the Land Improvement Fund, which fund is hereby created, to be extended upon proper warrants in accordance with law.

Sec. 5. Any lessee of educational lands may, subject to the approval of the board, relinquish his interest in such lease as of the following December 31 by notice to the Board of Educational Lands and Funds on or before November 30 of that year. The notice must be in writing signed and acknowledged by the lessee, and delivered to the office of the board.

Sec. 6. The board shall report annually to the legislature and such report shall contain anticipated future actions by the board as well as actions already taken.

Sec. 7. There is hereby appropriated six hundred fifty thousand dollars General Funds for the period of July 1, 1974, to June 30, 1975, to Agency 32, Board of Educational Lands and Funds, Program 339, Irrigation and Conservation Development, to the Land Improvement Fund, which fund is hereby appropriated, for the purpose of carrying out the provisions of this act.

Sec. 8. That original sections 72-232, 72-234, and 72-242, Reissue Revised Statutes of Nebraska, 1943, are repealed.