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**IDAPA 20  
TITLE 03  
CHAPTER 13**

**20.03.13 - ADMINISTRATION OF COTTAGE SITE LEASES ON STATE LANDS**

**000. LEGAL AUTHORITY.**

Following notice and hearing, and pursuant to the powers contained, inter alia, in Article IX, Section 8 of the Idaho Constitution and in Idaho Code Sections 58-104(1) and 58-304, the State Board of Land Commissioners hereby adopts these rules for administration of the cottage site leasing program. (12-7-87)

**001. TITLE AND SCOPE.**

It is the intent and express policy of the State Board of Land Commissioners in administration of cottage site leases located on state-owned lands administered by the board, to provide for a reasonable rental income from those lands in accordance with the requirements of the Constitution of the State of Idaho. (12-7-87)

**01. Rental Determination.** It is the intent of the State Board of Land Commissioners that those rental rates be determined through market indicators of comparable land values. (12-7-87)

**002. -- 009. (RESERVED).**

**010. DEFINITIONS.**

For the purposes of these rules, unless otherwise indicated by express term or by context, the term: (7-1-93)

- 01. Annual Rental.** The rental paid on or before January 1, in advance, for the following year. (12-7-87)
- 02. Board.** The State Board of Land Commissioners. (12-7-87)
- 03. Cottage Site.** Any state-owned lot which is leased for recreational residential purposes. (12-7-87)
- 04. Department.** The Idaho Department of Lands. (12-7-87)
- 05. Director.** The director of the Idaho Department of Lands or his designee. (12-7-87)
- 06. Leasehold Value.** The value which accrues to a leasehold estate when the contract rent is below the market rent. (12-7-87)
- 07. Lessee.** A tenant of a cottage site. (12-7-87)

**011. -- 019. (RESERVED).**

**020. SALE AND ASSIGNMENT - REQUIRED DOCUMENTATION.**

**01. Documentation of Sale.** The lessee shall provide, at their expense, to the department the following documents concerning a cottage site sale prior to assignment of the cottage site lease. (12-7-87)

- a.** Applications for Assignment of Cottage Site Lease (Form DL 1603) in duplicate specifying full dollar consideration paid. (12-7-87)
- b.** The original of the current lease or a signed and notarized Affidavit of Loss if the current lease has been lost. (12-7-87)
- c.** One (1) itemized statement listing all personal property items included in the sale and the reasonable value of each item. (12-7-87)
- d.** Optional; an appraisal of the combined market value of all improvements, including water and sewer facilities appurtenant to the site, and personal property included in the sale transaction performed by a member

of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers who holds the MAI or SRPA designations. Appraisals that do not meet the requirements set out above may be rejected. The department reserves the right to challenge any appraisal and to seek an alternative appraisal opinion. (12-7-87)

**02. Assignments.** A lease may only be assigned to an individual or to a husband or wife. The board will not recognize assignments to corporations, partnerships, or companies. Leases may be assigned to and held by an estate only if one (1) individual or husband or wife are designated as the sole contact for all billing and correspondence. A lessee may only hold one (1) cottage site lease at a time. (12-7-87)

**021. -- 024. (RESERVED).**

**025. LEASEHOLD VALUE DETERMINATION.**

**01. Determination of Sale Price.** The full sale price shall be determined by sworn disclosure of the buyer and seller on the Application for Assignment of Cottage Site Lease (Form 1603) and on a copy of the purchase agreement or contract of sale. (12-7-87)

**02. Calculation of Leasehold Value.** For the purposes of these rules, the leasehold value shall be determined by either of the following formulas as selected by the lessee: (12-7-87)

**a.** Subtracting the reasonable value of the personal property as determined in Subsection 020.01.c. and the value of improvements as the department shall obtain from the county assessed valuations from the full sale price as determined under Subsection 020.01.a.; or (12-7-87)

**b.** Subtracting the reasonable combined value of personal property and improvements determined under Subsection 020.01.d. from the full sale price determined under Subsection 020.01.a. (12-7-87)

**026. LEASE RATE DETERMINATION - ANNUAL RENTAL.**

Annual rental shall be set by the board from time to time as they deem necessary. (12-7-87)

**027. EQUITY SHARING PREMIUM RENTAL.**

Equity sharing premium rental shall be required through December 31, 1992 or until contract rents have been increased to full market rents, whichever comes first, and is due and payable prior to lease assignment and/or transfer and shall be computed as follows: Assignment Payment. All assignments and/or transfers shall pay a rate of ten percent (10%) of the leasehold value as determined under Section 025. (12-7-87)

**028. -- 029. (RESERVED).**

**030. SUBLEASING.**

**01. Prior Written Approval.** Subleasing of a cottage site may be authorized on a case by case basis at the discretion of the director. Prior written approval is required. (12-7-87)

**02. Contents of Request.** A letter of application must be submitted at least thirty (30) days prior to the date of sublease and must include the following information: (12-7-87)

**a.** Name, address and telephone number of the subleasee. (12-7-87)

**b.** The number of persons with whom the subleasee will share occupancy of the cottage site. (12-7-87)

**c.** The exact dates and duration of the sublease. (12-7-87)

**031. -- 999. (RESERVED).**

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