Requires the department to, before it transfers land with an active grazing lease, conduct and make public an analysis that evaluates the economic impact of the grazing lease on the local economy where the land is located.

Declares that the economic analysis required under this act must consider both the immediate effects of grazing cessation on the land proposed for transfer as well as the commutative effect on the local economy caused by the cessation of grazing on other public lands in the area.

Requires the department to conduct at least one public hearing on each economic analysis before it is formally approved by the commissioner. The public hearing must occur in a county where the land is located and the department must invite the county legislative authority for a county where the land is located to jointly participate in the public hearing.

Requires that, if the department purchases, transfers for, leases, or otherwise obtains land with an active grazing lease, it shall: (1) Reimburse the holder of the grazing lease for the value of any improvements made by the land by the grazing leaseholder or any predecessors of the grazing leaseholder;

(2) Allow the grazing leaseholder or his or her designated successors to continue operations under the conditions of the valid lease that existed upon assumption of management authority by the department. Upon the expiration of the grazing lease, and any successive grazing leases, the department must offer the grazing leaseholder or his or her designated successors the option of renewing the grazing lease for the same length and under the same conditions as the grazing lease in effect at the time the department assumed management control of the land.