

**WAC 332-14-120 Re-lease of coal leases.** An existing lessee may make application to re-lease the premises for a like term from the department. If the department receives no other application and, after inspection and investigation regarding the development and improvement of the premises during original lease term, determines that it is in the best interests of the state to re-lease the premises, it shall fix the royalties for the ensuing term and issue a renewal lease for a term up to twenty years. If application is received from a new applicant, the state shall lease the premises at public auction.

If a person other than the original lessee shall be awarded the lease, they shall assume reclamation obligations and reimburse the original lessee for the value of the structures, improvements or development work which adds value to the premises as determined by the department. When bids are evaluated, the department shall extend a preference to the existing lessee to meet the terms of a higher competing offer.

An application for re-lease shall be filed with the department at least sixty days, but not more than one year prior to expiration of the lease. Unless a timely application for re-lease is made, the department will not recognize any added premises values nor will reimbursement be required of a new lessee.

[Statutory Authority: RCW 79.01.668. WSR 85-10-040 (Order 443), § 332-14-120, filed 4/29/85.]