

HOUSE BILL 205

IN THE HOUSE

January 16, 1979	Introduced and referred to Committee on Business and Industry.
January 19, 1979	Committee recommend bill, do pass.
January 20, 1979	Printed and placed on members' desks.
January 22, 1979	Second reading, do not pass.

1 HOUSE BILL NO. 205
2 INTRODUCED BY Walton

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A DEFERRAL
5 PROCEDURE IN CASES OF HOMEOWNER HARDSHIP FOR SPECIAL
6 ASSESSMENTS AND ASSESSMENTS FOR IMPROVEMENTS ORDERED BY A
7 LOCAL GOVERNING BODY."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Action by local governing body to defer
11 homeowner assessments in hardship cases. A local governing
12 body may in its discretion defer the payment of special
13 assessments for special improvement districts established by
14 the governing body, regardless of the date of establishment,
15 and assessments for improvements ordered by the governing
16 body, if the governing body determines by a two-thirds vote
17 that:

- 18 (1) the payment of the assessments would be a hardship
- 19 for an owner of property against which the assessments are
- 20 levied;
- 21 (2) the owner occupies the property as his residence;
- 22 and
- 23 (3) the bondholders, if any, would not be deprived of
- 24 any contractual benefit by the deferral of assessments.

25 Section 2. Determination of hardship. (1) A local

1 governing body shall find that a hardship exists when the
2 average annual payment for all assessments referred to in
3 [section 1] levied against the subject property exceeds 1%
4 of the adjusted gross income or combined adjusted gross
5 income if more than one owner of the property has an income,
6 as currently reported for federal income tax purposes.

7 (2) A local governing body may find that a hardship
8 exists based upon the financial statement of a property
9 owner, notwithstanding failure of the property owner to
10 qualify under subsection (1).

11 Section 3. Accrual and deferral of interest on
12 deferred assessments. Deferred assessments accrue interest
13 at a rate equal to the interest rate imposed on all other
14 assessments for the same public improvement. The interest
15 payments must be deferred in the same manner as the
16 principal.

17 Section 4. Termination of deferral -- payment of
18 assessments. (1) The deferral of payment on special
19 assessments and assessments for improvements ordered by the
20 local governing body terminates upon:

- 21 (a) the death of the owner, provided that the spouse
- 22 is unable to qualify for the deferred assessment privilege;
- 23 (b) the sale, transfer, or subdivision of the property
- 24 or any part thereof; or
- 25 (c) the determination by the local governing body that

1 to require immediate or partial payment would not create a
2 hardship.

3 (2) All amounts accruing under deferral of
4 assessments, plus interest thereon, are due and payable upon
5 termination of the deferral, unless the local governing body
6 provides for payment in accordance with the terms of the
7 original assessment.

8 Section 5. Lien on property. The amount of the
9 deferred payments plus interest constitutes a lien on the
10 subject property.

-End-

Approved by Committee
on Business and Industry

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