

SENATE BILL NO. 215

INTRODUCED BY VAN VALKENBURG, BARNHART, WATERMAN, WELDON,
B. BROWN, KENNEDY

IN THE SENATE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
FEBRUARY 6, 1993	SPONSORS ADDED.
FEBRUARY 10, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 11, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
FEBRUARY 12, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
MARCH 26, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 30, 1993	SECOND READING, CONCURRED IN.
APRIL 1, 1993	THIRD READING, CONCURRED IN. AYES, 89; NOES, 10.
	RETURNED TO SENATE.

IN THE SENATE

APRIL 2, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

BILL NO.

215

INTRODUCED BY

Sen. Valkenburg B. Brouha

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY OR A MUNICIPALITY TO DONATE TAX-DEED LAND TO A NONPROFIT CORPORATION FOR THE CONSTRUCTION OF RESIDENTIAL HOUSING; AND AMENDING SECTIONS 7-8-2301 AND 15-17-319, MCA."

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

Section 1. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Auction-sale Disposal of county tax-deed land. (1) Whenever the county acquires land by tax deed, it is the duty of the board of county commissioners, within 6 months after acquiring title, to:

(a) make and enter an order for sale of the lands at public auction at the front door of the courthouse; or

(b) donate the lands to a nonprofit corporation as provided in subsection (6).

(2) A sale may not be made for a price less than the fair market value of the land, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land from the unencumbered value of the land, but the minimum sale price for a parcel of land may not be less than \$10.

(3) If no bids are received at a sale of tax-deed land, the board shall order another auction sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the fair market value of the land under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were no qualifying bids for the property, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the fair market value that was fixed for the original auction under subsection (1).

(4) If no bid is received at the sale conducted under subsection (3), the board may dispose of the land as provided in 7-8-2218.

(5) Notwithstanding the amount of the fair market value fixed by the board prior to the auction, if the successful sale bidder is the delinquent taxpayer or his the taxpayer's successor in interest, his the taxpayer's agent, or a member of his the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, all county costs of conducting the sale, delinquent taxes, assessments, and all interest and penalties.

(6) A board of county commissioners may, upon expiration of the redemption period provided for in 15-18-111, donate the land to a nonprofit corporation for

1 the purpose of constructing:

2 (a) a multi-family housing development operated by the
3 corporation; or

4 (b) single-family houses. Upon completion of a house,
5 the nonprofit corporation shall sell the property to a
6 low-income person who meets the eligibility requirements of
7 the corporation. Once the sale is completed, the property
8 becomes subject to taxation."

9 **Section 2.** Section 15-17-319, MCA, is amended to read:

10 "15-17-319. Sale or lease and disposition of proceeds
11 from lands acquired by municipality. A municipality may
12 sell, donate, or lease property it acquires under 15-17-317
13 in the same manner as a county may sell, donate, or lease
14 tax-deed property under Title 7, chapter 8, part 23. All
15 money received by the municipality from the sale or lease of
16 such the land, after payment of the cost of sale, not to
17 exceed \$25, must be paid into the improvement fund to the
18 extent of the delinquent assessments, interest, and
19 penalties. The surplus, if any, must be paid into any
20 revolving fund that secures payment of such special
21 assessments or, if there are none, to the general fund of
22 the municipality."

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

SENATE BILL NO. 215

INTRODUCED BY VAN VALKENBURG, BARNHART, WATERMAN, WELDON,
B. BROWN, KENNEDY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY OR A
MUNICIPALITY TO DONATE TAX-DEED LAND TO A NONPROFIT
CORPORATION FOR THE CONSTRUCTION OF RESIDENTIAL HOUSING; AND
AMENDING SECTIONS 7-8-2301 AND 15-17-319, MCA; AND PROVIDING
AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Auction-sale Disposal of county tax-deed
land. (1) Whenever the county acquires land by tax deed, it
is the duty of the board of county commissioners, within 6
months after acquiring title, to:

(a) make and enter an order for sale of the lands at
public auction at the front door of the courthouse; or

(b) donate the lands to a nonprofit corporation as
provided in subsection (6).

(2) A sale may not be made for a price less than the
fair market value of the land, as determined and fixed by
the board prior to making the order of sale. In determining
fair market value, the board shall subtract the amount of
outstanding assessments that are a lien on the land from the

unencumbered value of the land, but the minimum sale price
for a parcel of land may not be less than \$10.

(3) If no bids are received at a sale of tax-deed land,
the board shall order another auction sale of the land under
this part within 6 months and may, if required by the
circumstances, redetermine the fair market value of the land
under subsection (2). In the period of time between the
auction conducted under subsection (1), in which there were
no qualifying bids for the property, and an auction held
pursuant to this subsection, the board may sell the land by
negotiated sale at a price that is not less than the fair
market value that was fixed for the original auction under
subsection (1).

(4) If no bid is received at the sale conducted under
subsection (3), the board may dispose of the land as
provided in 7-8-2218.

(5) Notwithstanding the amount of the fair market value
fixed by the board prior to the auction, if the successful
sale bidder is the delinquent taxpayer or his the taxpayer's
successor in interest, his the taxpayer's agent, or a member
of his the taxpayer's immediate family, the purchase price
may not be less than the amount necessary to pay, in full,
all county costs of conducting the sale, delinquent taxes,
assessments, and all interest and penalties.

(6) A board of county commissioners may, upon

expiration of the redemption period provided for in
15-18-111, donate the land to a nonprofit corporation for
the purpose of constructing:

(a) a multi-family housing development operated by the
corporation; or

(b) single-family houses. Upon completion of a house,
the nonprofit corporation shall sell the property to a
low-income person who meets the eligibility requirements of
the corporation. Once the sale is completed, the property
becomes subject to taxation."

Section 2. Section 15-17-319, MCA, is amended to read:

"15-17-319. Sale or lease and disposition of proceeds
 from lands acquired by municipality. A municipality may
 sell, donate, or lease property it acquires under 15-17-317
 in the same manner as a county may sell, donate, or lease
 tax-deed property under Title 7, chapter 8, part 23. All
 money received by the municipality from the sale or lease of
 such the land, after payment of the cost of sale, not to
 exceed \$25, must be paid into the improvement fund to the
 extent of the delinquent assessments, interest, and
 penalties. The surplus, if any, must be paid into any
 revolving fund that secures payment of such special
 assessments or, if there are none, to the general fund of
 the municipality."

NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS

EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

SENATE BILL NO. 215

INTRODUCED BY VAN VALKENBURG, BARNHART, WATERMAN, WELDON,

B. BROWN, KENNEDY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY OR A MUNICIPALITY TO DONATE TAX-DEED LAND TO A NONPROFIT CORPORATION FOR THE CONSTRUCTION OF RESIDENTIAL HOUSING; AND AMENDING SECTIONS 7-8-2301 AND 15-17-319, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Auction-sale Disposal of county tax-deed land. (1) Whenever the county acquires land by tax deed, it is the duty of the board of county commissioners, within 6 months after acquiring title, to:

(a) make and enter an order for sale of the lands at public auction at the front door of the courthouse; or

(b) donate the lands to a nonprofit corporation as provided in subsection (6).

(2) A sale may not be made for a price less than the fair market value of the land, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land from the

unencumbered value of the land, but the minimum sale price for a parcel of land may not be less than \$10.

(3) If no bids are received at a sale of tax-deed land, the board shall order another auction sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the fair market value of the land under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were no qualifying bids for the property, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the fair market value that was fixed for the original auction under subsection (1).

(4) If no bid is received at the sale conducted under subsection (3), the board may dispose of the land as provided in 7-8-2218.

(5) Notwithstanding the amount of the fair market value fixed by the board prior to the auction, if the successful sale bidder is the delinquent taxpayer or his the taxpayer's successor in interest, his the taxpayer's agent, or a member of his the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, all county costs of conducting the sale, delinquent taxes, assessments, and all interest and penalties.

(6) A board of county commissioners may, upon

1 expiration of the redemption period provided for in
 2 15-18-111, donate the land to a nonprofit corporation for
 3 the purpose of constructing:

4 (a) a multi-family housing development operated by the
 5 corporation; or

6 (b) single-family houses. Upon completion of a house,
 7 the nonprofit corporation shall sell the property to a
 8 low-income person who meets the eligibility requirements of
 9 the corporation. Once the sale is completed, the property
 10 becomes subject to taxation."

11 **Section 2.** Section 15-17-319, MCA, is amended to read:

12 "15-17-319. Sale or lease and disposition of proceeds
 13 from lands acquired by municipality. A municipality may
 14 sell, donate, or lease property it acquires under 15-17-317
 15 in the same manner as a county may sell, donate, or lease
 16 tax-deed property under Title 7, chapter 8, part 23. All
 17 money received by the municipality from the sale or lease of
 18 such the land, after payment of the cost of sale, not to
 19 exceed \$25, must be paid into the improvement fund to the
 20 extent of the delinquent assessments, interest, and
 21 penalties. The surplus, if any, must be paid into any
 22 revolving fund that secures payment of such special
 23 assessments or, if there are none, to the general fund of
 24 the municipality."

25 **NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS**

1 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

1 SENATE BILL NO. 215

2 INTRODUCED BY VAN VALKENBURG, BARNHART, WATERMAN, WELDON,
3 B. BROWN, KENNEDY
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5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY OR A
6 MUNICIPALITY TO DONATE TAX-DEED LAND TO A NONPROFIT
7 CORPORATION FOR THE CONSTRUCTION OF RESIDENTIAL HOUSING; AND
8 AMENDING SECTIONS 7-8-2301 AND 15-17-319, MCA; AND PROVIDING
9 AN IMMEDIATE EFFECTIVE DATE."
10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 7-8-2301, MCA, is amended to read:

13 "7-8-2301. Auction-sale Disposal of county tax-deed
14 land. (1) Whenever the county acquires land by tax deed, it
15 is the duty of the board of county commissioners, within 6
16 months after acquiring title, to:

17 (a) make and enter an order for sale of the lands at
18 public auction at the front door of the courthouse; or

19 (b) donate the lands to a nonprofit corporation as
20 provided in subsection (6).

21 (2) A sale may not be made for a price less than the
22 fair market value of the land, as determined and fixed by
23 the board prior to making the order of sale. In determining
24 fair market value, the board shall subtract the amount of
25 outstanding assessments that are a lien on the land from the

1 unencumbered value of the land, but the minimum sale price
2 for a parcel of land may not be less than \$10.

3 (3) If no bids are received at a sale of tax-deed land,
4 the board shall order another auction sale of the land under
5 this part within 6 months and may, if required by the
6 circumstances, redetermine the fair market value of the land
7 under subsection (2). In the period of time between the
8 auction conducted under subsection (1), in which there were
9 no qualifying bids for the property, and an auction held
10 pursuant to this subsection, the board may sell the land by
11 negotiated sale at a price that is not less than the fair
12 market value that was fixed for the original auction under
13 subsection (1).

14 (4) If no bid is received at the sale conducted under
15 subsection (3), the board may dispose of the land as
16 provided in 7-8-2218.

17 (5) Notwithstanding the amount of the fair market value
18 fixed by the board prior to the auction, if the successful
19 sale bidder is the delinquent taxpayer or his the taxpayer's
20 successor in interest, his the taxpayer's agent, or a member
21 of his the taxpayer's immediate family, the purchase price
22 may not be less than the amount necessary to pay, in full,
23 all county costs of conducting the sale, delinquent taxes,
24 assessments, and all interest and penalties.

25 (6) A board of county commissioners may, upon



1 expiration of the redemption period provided for in
 2 15-18-111, donate the land to a nonprofit corporation for
 3 the purpose of constructing:

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 5 corporation; or

6 (b) single-family houses. Upon completion of a house,
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 21 penalties. The surplus, if any, must be paid into any
 22 revolving fund that secures payment of such special
 23 assessments or, if there are none, to the general fund of
 24 the municipality."

25 **NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS**

1 **EFFECTIVE ON PASSAGE AND APPROVAL.**

-End-