

SENATE BILL NO. 370

INTRODUCED BY RYE

IN THE SENATE

FEBRUARY 12, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 5, 1993

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 6, 1993

PRINTING REPORT.

SECOND READING, DO PASS.

MARCH 8, 1993

ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 48; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 9, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 20, 1993

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

MARCH 30, 1993

SECOND READING, CONCURRED IN.

APRIL 1, 1993

THIRD READING, CONCURRED IN.
AYES, 91; NOES, 8.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 6, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 7, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

SENATE BILL NO. 370
INTRODUCED BY [Signature]

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR LOCAL GOVERNMENT DISCRETION TO SUSPEND OR CANCEL DELINQUENT PROPERTY TAXES ON COMMERCIAL, AGRICULTURAL, OR RESIDENTIAL PROPERTY SUBJECT TO A STATE OR FEDERAL STATUTORY DUTY IN ORDER TO FACILITATE THE PURCHASE OR CONTINUED USE OF THE PROPERTY; AMENDING SECTION 15-24-1702, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

14 **NEW SECTION. Section 1. Suspension and cancellation of**
15 **collection of property taxes on commercial, agricultural, or**
16 **residential property when statutory duty imposed. (1) The**
17 **governing body of a county or consolidated local government**
18 **unit may suspend the collection of all or a part of the**
19 **delinquent property taxes on commercial, agricultural, or**
20 **residential property to facilitate the fulfillment of a**
21 **statutory duty imposed with respect to the property to**
22 **promote the viability of the property in commerce.**

23 (2) The governing body may determine that:

24 (a) federal or state law imposed a duty, other than
25 taxes or assessments, upon the property of the owner or a

1 purchaser after the occurrence of the event;

2 (b) a material tax delinquency exists relative to the
3 value of the property;

4 (c) the normal and reasonable cost of fulfilling the
5 statutory duty when added to the delinquent taxes exceeds
6 the fair market value of the property;

7 (d) the ownership history of the property demonstrates
8 that there is no intent to restructure ownership for the
9 purpose of escaping the payment of delinquent property
10 taxes;

11 (e) the owner or purchaser has committed to fulfilling
12 the statutory duty within a reasonable period of time;

13 (f) the cancellation of the delinquent taxes together
14 with other financial facts concerning the property provide
15 the owner or purchaser with a reasonable profit potential.

16 (3) If an owner or purchaser fulfills the statutory
17 duty within a reasonable period of time, the governing body
18 may cancel the collection of the delinquent property taxes.
19 The governing body may not cancel the delinquent property
20 taxes if the owner or purchaser is delinquent on taxes for
21 any other property within the governing body's taxing
22 jurisdiction.

23 **Section 2.** Section 15-24-1702, MCA, is amended to read:

24 "15-24-1702. Resolution to suspend or cancel delinquent
25 taxes. (1) In order for the governing body to grant a

1 suspension or cancellation of delinquent property taxes
 2 pursuant to this section, it shall adopt a resolution after:

- 3 (a) providing notice, as set forth in 7-1-2121;
 4 (b) holding a public hearing; and
 5 (c) notifying the governor's office of budget and
 6 program planning and the department of revenue about a
 7 proposed action to suspend or cancel delinquent property
 8 taxes. The governor's office of budget and program planning
 9 and the department of revenue shall consult with the
 10 governing body regarding the impact on programs that would
 11 result from the proposed granting of the suspension or
 12 cancellation of the delinquent property taxes, and the
 13 governing body shall consider the information before
 14 reaching a final decision.

15 (2) The resolution must state that the suspension or
 16 cancellation is in the best interest of the people of the
 17 county or consolidated local government, based on full
 18 disclosure of all pertinent financial information by the new
 19 owner under 15-24-1701 or by the owner or purchaser under
 20 [section 1] as required by the local government."

21 NEW SECTION. Section 3. Codification instruction.
 22 [Section 1] is intended to be codified as an integral part
 23 of Title 15, chapter 24, part 17, and the provisions of
 24 Title 15, chapter 24, part 17, apply to [section 1].

25 NEW SECTION. Section 4. Effective date -- retroactive

1 applicability. [This act] is effective on passage and
 2 approval and applies retroactively to tax years beginning
 3 after December 31, 1987.

-End-

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 370
INTRODUCED BY RYE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR LOCAL GOVERNMENT DISCRETION TO SUSPEND OR CANCEL DELINQUENT PROPERTY TAXES ON COMMERCIAL, AGRICULTURAL, OR RESIDENTIAL PROPERTY SUBJECT TO A STATE OR FEDERAL STATUTORY DUTY IN ORDER TO FACILITATE THE PURCHASE OR CONTINUED USE OF THE PROPERTY; AMENDING SECTION 15-24-1702, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Suspension and cancellation of collection of property taxes on commercial, agricultural, or residential property when statutory duty imposed. (1) The governing body of a county or consolidated local government unit may suspend the collection of all or a part of the delinquent property taxes on commercial, agricultural, or residential property to facilitate the fulfillment of a statutory duty imposed with respect to the property to promote the viability of the property in commerce.

(2) The governing body may determine that:

(a) federal or state law imposed a duty, other than taxes or assessments, upon the property of the owner or a

purchaser after the occurrence of the event;

(b) a material tax delinquency exists relative to the value of the property;

(c) the normal and reasonable cost of fulfilling the statutory duty when added to the delinquent taxes exceeds the fair market value of the property;

(d) the ownership history of the property demonstrates that there is no intent to restructure ownership for the purpose of escaping the payment of delinquent property taxes;

(e) the owner or purchaser has committed to fulfilling the statutory duty within a reasonable period of time;

(f) the cancellation of the delinquent taxes together with other financial facts concerning the property provide the owner or purchaser with a reasonable profit potential.

(3) If an owner or purchaser fulfills the statutory duty within a reasonable period of time, the governing body may cancel the collection of the delinquent property taxes. The governing body may not cancel the delinquent property taxes if the owner or purchaser is delinquent on taxes for any other property within the governing body's taxing jurisdiction.

Section 2. Section 15-24-1702, MCA, is amended to read:

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suspension or cancellation of delinquent property taxes pursuant to this section, it shall adopt a resolution after:

(a) providing notice, as set forth in 7-1-2121;

(b) holding a public hearing; and

(c) notifying the governor's office of budget and program planning and the department of revenue about a proposed action to suspend or cancel delinquent property taxes. The governor's office of budget and program planning and the department of revenue shall consult with the governing body regarding the impact on programs that would result from the proposed granting of the suspension or cancellation of the delinquent property taxes, and the governing body shall consider the information before reaching a final decision.

(2) The resolution must state that the suspension or cancellation is in the best interest of the people of the county or consolidated local government, based on full disclosure of all pertinent financial information by the new owner under 15-24-1701 or by the owner or purchaser under [section 1] as required by the local government."

NEW SECTION. Section 3. Codification instruction.

[Section 1] is intended to be codified as an integral part of Title 15, chapter 24, part 17, and the provisions of Title 15, chapter 24, part 17, apply to [section 1].

NEW SECTION. Section 4. Effective date -- retroactive

applicability. [This act] is effective on passage and approval and applies retroactively to tax years beginning after December 31, 1987.

NEW SECTION. SECTION 5. TERMINATION. [THIS ACT]
TERMINATES DECEMBER 31, 1994.

-End-

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4 NEW SECTION. SECTION 5. TERMINATION. [THIS ACT]
5 TERMINATES DECEMBER 31, 1994.

-End-

HOUSE STANDING COMMITTEE REPORT

March 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 370 (third reading copy -- blue) be concurred in as amended .

Signed: Bob Gilbert
Bob Gilbert, Chair

And, that such amendments read:

Carried by: Rep. Nelson

1. Page 4, line 5.

Strike: "DECEMBER 31, 1994"

Insert: "July 1, 1995"

Committee Vote:
Yes 19, No 0.

HOUSE

SB 370

622025SC.Hss

Handwritten: 3-20-93 10:05

1 SENATE BILL NO. 370

2 INTRODUCED BY RYE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR LOCAL
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8 ORDER TO FACILITATE THE PURCHASE OR CONTINUED USE OF THE
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TERMINATES DECEMBER-31-1994 JULY 1, 1995.

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