

SENATE BILL NO. 114

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE VALUE THRESHOLD AT WHICH THE DEPARTMENT OF TRANSPORTATION SHALL OFFER REAL PROPERTY AT PUBLIC AUCTION; ELIMINATING THE PROVISION ALLOWING A LANDOWNER FROM WHOM THE DEPARTMENT OF TRANSPORTATION ACQUIRES REAL PROPERTY TO REDEEM THE PROPERTY AT THE SALE PRICE WITHIN 10 DAYS AFTER THE SALE; AMENDING SECTIONS 60-4-202 AND 60-4-203, MCA; AND REPEALING SECTION 60-4-204, MCA."

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

Section 1. Section 60-4-202, MCA, is amended to read:

***60-4-202. Sale of interest in real property.** The department may sell an interest in real property, ~~however acquired by it, which it~~ if the department determines that the property is not necessary to the laying out, altering, construction, improvement, or maintenance of a highway. If the interest is reasonably of a value in excess of ~~\$100~~ \$2,500, sale ~~shall~~ must be made to the highest bidder at public auction. The sale ~~shall~~ of an interest at auction must be conducted as provided in 77-2-321."

Section 2. Section 60-4-203, MCA, is amended to read:

***60-4-203. Conduct of sale.** (1) The department shall publish notice of the sale once a week for 4 successive weeks in a newspaper published in the county in which the interest is located ~~once a week for 4 successive weeks~~. The notice of sale ~~shall~~ must contain the information required by 77-2-322. Sale ~~shall~~ must be held in the county ~~wherein~~ where the property is located.

(2) Before the sale of an interest having a value in excess of ~~\$100~~ \$2,500, the department ~~shall~~ must have ~~it~~ the interest appraised at a price representing a fair market value. The appraised value ~~shall~~ must be stated in the published notice.

(3) A sale of an interest may not be made unless it has been appraised within 3 months prior to the date of the sale. A sale may not be made for less than 90% of the appraised value.

1 (4) Title to an interest may not pass from the state until the purchaser has paid the full amount of
2 the purchase price into the state treasury to the credit of the department."

3

4 NEW SECTION. **Section 3. Repealer.** Section 60-4-204, MCA, is repealed.

5

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0114, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the value threshold at which the Department of Transportation shall offer real property at public auction; eliminating the provision allowing a landowner from whom the Department of Transportation acquires real property to redeem the property at the sale price within 10 days after the sale.

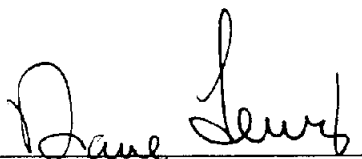
ASSUMPTIONS:

1. There will be 7 sales per year at or below the value threshold established by SB0114.
2. Each sale by public auction costs \$3,500. Each sale without the public auction requirement would cost \$2,500.
3. All costs and proceeds associated with excess right-of-way are attributed to the state.

FISCAL IMPACT:

Expenditures:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Dept of Transportation Construction Program		
Operating Expenses	(\$17,500.00)	(\$17,500.00)
Highway Special Revenues (02)	(\$17,500.00)	(\$17,500.00)

 1-17-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-17-95
ARNIE MOHL, PRIMARY SPONSOR DATE

Fiscal Note for SB0114, as introduced

SB 114

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