

SENATE BILL NO. 258INTRODUCED BY Castlett

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY TO RETAIN CERTAIN LAND ACQUIRED BY TAX DEED IF IT IS IN THE BEST INTEREST OF THE COUNTY OR WILL ADVANCE THE PUBLIC BENEFIT OR WELFARE; CLARIFYING THE REPURCHASE RIGHTS OF TAXPAYERS AND SUCCESSORS; REQUIRING THE DEPARTMENT OF REVENUE TO DETERMINE THE FAIR MARKET VALUE OF TAX-DEED LAND; SUBSTITUTING SALES PRICE FOR FAIR MARKET VALUE IN CERTAIN SECTIONS OF LAW PERTAINING TO THE SALE OF TAX-DEED LAND; REQUIRING PUBLIC NOTICE OF THE DONATION OR RETENTION OF TAX-DEED LAND; ELIMINATING THE REQUIREMENT THAT THE SALE OF LAND ACQUIRED BY TAX DEED BE HELD AT THE COURTHOUSE; AND AMENDING SECTIONS 7-8-2218, 7-8-2301, 7-8-2302, 7-8-2303, AND 7-8-2502, MCA."

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

Section 1. Section 7-8-2218, MCA, is amended to read:

"7-8-2218. Procedure if property not sold at public auction. If ~~no~~ a bid or offer is not made for any property offered for sale at public auction, after notice ~~and appraisal given~~ as provided in 7-8-2212 and 7-8-2214, the board of county commissioners may, at any time ~~thereafter~~ after the auction, sell ~~such the~~ property at private sale and may on ~~such~~ private sale accept as the purchase price ~~therefor~~ for the property an amount not less than 70% of the ~~appraised value thereof~~ sales price that was set for the second auction sale provided for in 7-8-2301(4)."

Section 2. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. 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 enter an order to:

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

(b) donate the land to a municipality, as provided in subsection ~~(6)~~ (3), if the land is within the

1 incorporated boundaries of the municipality; or

2 (c) donate the ~~lands~~ land to a nonprofit corporation as provided in subsection ~~(7)~~; (3); or

3 (d) retain the land for the county as provided in subsection (3).

4 (2) A When tax-deed land is to be sold, the sale may not be made for a price less than the fair
 5 market value of the land sales price, as determined and fixed by the board prior to making the order of sale.
 6 In determining fair market value, the board shall subtract the amount of outstanding assessments that are
 7 a lien on the land from the unencumbered value of the land, but the minimum sale price for a parcel of land
 8 may not be less than \$10. The sales price may be set in an amount sufficient to recover the full amount
 9 of taxes, assessments, penalties, and interest due at the time the tax deed was issued to the county plus
 10 the county's costs in taking the tax deed and in conducting the sale and additional taxes due, if any, at the
 11 time of the sale.

12 (3) A board of county commissioners may, upon expiration of the repurchase period provided for
 13 in 7-8-2303:

14 (a) sell the land as provided in subsections (2) and (4);

15 (b) donate the land to a municipality with the consent of the municipality;

16 (c) donate the land to a nonprofit corporation for the purpose of constructing:

17 (i) a multifamily housing development operated by the corporation; or

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

21 (d) retain the land for the county pursuant to 7-8-2501.

22 ~~(3)(4)~~ (4) If ~~no~~ bids are not received at a sale of tax-deed land, the board shall order another auction
 23 sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the
 24 ~~fair market value~~ sales price of the land determined under subsection (2). In the period of time between the
 25 auction conducted under subsection (1), in which there were ~~no~~ not any qualifying bids for the ~~property~~
 26 land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a
 27 price that is not less than the ~~fair market value~~ sales price that was fixed for the original auction under
 28 subsection (1)(a).

29 ~~(4)(5)~~ (5) If ~~no~~ a bid is not received at the sale conducted under subsection ~~(3)~~ (4), the board may
 30 dispose of the land as provided in 7-8-2218.

1 ~~(5)~~(6) Notwithstanding the amount of the ~~fair market value sales price~~ fixed by the board prior to
 2 the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or
 3 the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family,
 4 the purchase price may not be less than the amount necessary to pay, in full, ~~all county costs of conducting~~
 5 ~~the sale, delinquent taxes, assessments, and all interest and penalties~~ the taxes, assessments, penalties,
 6 and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate
 7 provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs
 8 of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of
 9 repurchase.

10 ~~(6)~~ A board of county commissioners may, upon expiration of the redemption period provided for
 11 in ~~15-18-111~~, donate the land to a municipality with the consent of the municipality.

12 ~~(7)~~ A board of county commissioners may, upon expiration of the redemption period provided for
 13 in ~~15-18-111~~, donate the land to a nonprofit corporation for the purpose of constructing:

14 ~~(a)~~ a multifamily housing development operated by the corporation; or

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

18
 19 **Section 3.** Section 7-8-2302, MCA, is amended to read:

20 "**7-8-2302. Notice of sale disposal of tax-deed lands.** (1) Notice of the sale, ~~donation, or retention~~
 21 of tax-deed lands provided for in 7-8-2301 ~~shall~~ must be given by publication as provided in 7-1-2121 and
 22 ~~shall~~ must also be posted in at least three public places in the county.

23 (2) ~~Posted~~ The posted and published notice ~~shall~~ must be signed by the county clerk, and ~~one~~ the
 24 published notice may must include a list of all lands to be sold, donated, or retained, the ~~appraised~~ fair
 25 market value of the same lands as determined and fixed by the department of revenue, and the time and
 26 place of sale, donation, or retention. ~~The fair market value~~ If the land is to be sold, the sales price as
 27 determined under 7-8-2301 shall must be stated in the published notice of sale."

28
 29 **Section 4.** Section 7-8-2303, MCA, is amended to read:

30 "**7-8-2303. Repurchase rights of taxpayer or successors.** At any time up to 24 hours before the

1 time fixed for the first offering of property for sale or the time fixed for the donation or retention of the
 2 property pursuant to 7-8-2301, the taxpayer or the taxpayer's successor in interest or legal representative
 3 may repurchase the property from the county. The property may be repurchased, subject to the
 4 reservations provided for in 7-8-2305, by payment to the county of the full amount of the taxes,
 5 assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the
 6 full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of repurchase
 7 as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any,
 8 at the time of repurchase. The purchase and payment may be effected by an installment contract with
 9 annual payments as provided for in 7-8-2304."

10
 11 **Section 5.** Section 7-8-2502, MCA, is amended to read:

12 "**7-8-2502. Application of part.** (1) Any lands offered for sale by the county commissioners of any
 13 county ~~under~~ pursuant to 7-8-2301 and not sold at ~~such the sale,~~ any lands classified for retention by the
 14 county, any lands concerning which the preferential right to purchase has been terminated and barred ~~under~~
 15 pursuant to the provisions of 7-8-2303, and any other lands owned by the county, however acquired, may,
 16 in the discretion and at the election of the board, be administered by the board under this part.

17 (2) The board may in its discretion elect to exercise ~~all or~~ any of the powers and authority granted
 18 to it by this part, and to the extent that the board ~~it so~~ elects, the provisions of this part ~~shall be~~ are
 19 controlling and ~~shall~~ supersede all conflicting provisions of other laws.

20 (3) The sale, exchange, lease, or issuance of licenses and permits of county lands as provided in
 21 this part ~~shall extend~~ extends only to those lands not necessary to the conduct of the county's business."

22 -END-

SENATE BILL NO. 258

INTRODUCED BY

Boatright

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(b) donate the land to a municipality, as provided in subsection ~~(6)~~ (3), if the land is within the

1 incorporated boundaries of the municipality; ~~or~~

2 (c) donate the ~~lands~~ land to a nonprofit corporation as provided in subsection ~~(7)~~ (3); or

3 (d) retain the land for the county as provided in subsection (3).

4 (2) ~~A~~ When tax-deed land is to be sold, the sale may not be made for a price less than the fair
 5 market value of the land sales price, as determined and fixed by the board prior to making the order of sale.
 6 In determining fair market value, the board shall subtract the amount of outstanding assessments that are
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 20 is completed, the property becomes subject to taxation.

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22 ~~(3)(4)~~ If no bids are not received at a sale of tax-deed land, the board shall order another auction
 23 sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the
 24 fair market value sales price of the land determined under subsection (2). In the period of time between the
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 28 subsection (1)(a).

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 7 provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs
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 25 market value of the same lands as determined and fixed by the department of revenue, and the time and
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6 full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of repurchase
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9 annual payments as provided for in 7-8-2304."

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11 **Section 5.** Section 7-8-2502, MCA, is amended to read:

12 "7-8-2502. **Application of part.** (1) Any lands offered for sale by the county commissioners of any
13 county ~~under~~ pursuant to 7-8-2301 and not sold at ~~such~~ the sale, any lands classified for retention by the
14 county, any lands concerning which the preferential right to purchase has been terminated and barred ~~under~~
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16 in the discretion and at the election of the board, be administered by the board under this part.

17 (2) The board may in its discretion elect to exercise ~~all or~~ any of the powers and authority granted
18 to it by this part, and to the extent that the board ~~it so~~ elects, the provisions of this part ~~shall be~~ are
19 controlling and ~~shall~~ supersede all conflicting provisions of other laws.

20 (3) The sale, exchange, lease, or issuance of licenses and permits of county lands as provided in
21 this part ~~shall extend~~ extends only to those lands not necessary to the conduct of the county's business."

22 -END-

SENATE BILL NO. 258INTRODUCED BY *DeStett*

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- 1 incorporated boundaries of the municipality; ~~or~~
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- 22 ~~(3)~~(4) If no bids are not received at a sale of tax-deed land, the board shall order another auction
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- 25 auction conducted under subsection (1), in which there were no not any qualifying bids for the property
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- 28 subsection (1)(a).
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- 30 dispose of the land as provided in 7-8-2218.

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 18 to it by this part, and to the extent that the board ~~it so~~ elects, the provisions of this part ~~shall be~~ are
 19 controlling and ~~shall~~ supersede all conflicting provisions of other laws.

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 21 this part ~~shall extend~~ extends only to those lands not necessary to the conduct of the county's business."

22

-END-



HOUSE STANDING COMMITTEE REPORT

March 10, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 258** (third reading copy -- blue) **be concurred in as amended.**

Signed:

A handwritten signature in cursive script, appearing to read "Bruce Simon".

Bruce Simon, Chair

Carried by: Rep. McKee

And, that such amendments read:

1. Title, line 11.
Strike: "7-8-2218,"

2. Page 1, lines 16 through 22.
Strike: section 1 in its entirety
Renumber: subsequent sections

-END-

SB 258

HOUSE

Committee Vote:
Yes 18, No 0.

561426SC.Hbk

SENATE BILL NO. 258

INTRODUCED BY BARTLETT

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY TO RETAIN CERTAIN LAND ACQUIRED BY TAX DEED IF IT IS IN THE BEST INTEREST OF THE COUNTY OR WILL ADVANCE THE PUBLIC BENEFIT OR WELFARE; CLARIFYING THE REPURCHASE RIGHTS OF TAXPAYERS AND SUCCESSORS; REQUIRING THE DEPARTMENT OF REVENUE TO DETERMINE THE FAIR MARKET VALUE OF TAX-DEED LAND; SUBSTITUTING SALES PRICE FOR FAIR MARKET VALUE IN CERTAIN SECTIONS OF LAW PERTAINING TO THE SALE OF TAX-DEED LAND; REQUIRING PUBLIC NOTICE OF THE DONATION OR RETENTION OF TAX-DEED LAND; ELIMINATING THE REQUIREMENT THAT THE SALE OF LAND ACQUIRED BY TAX DEED BE HELD AT THE COURTHOUSE; AND AMENDING SECTIONS ~~7-8-2218~~, 7-8-2301, 7-8-2302, 7-8-2303, AND 7-8-2502, MCA."

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

~~Section 1. Section 7-8-2218, MCA, is amended to read:~~

~~"7-8-2218. Procedure if property not sold at public auction. If no a bid or offer is not made for any property offered for sale at public auction, after notice and appraisal given as provided in 7-8-2212 and 7-8-2214, the board of county commissioners may, at any time thereafter after the auction, sell such the property at private sale and may on such private sale accept as the purchase price therefor for the property an amount not less than 70% of the appraised value thereof sales price that was set for the second auction sale provided for in 7-8-2301(4)."~~

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

"7-8-2301. 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 enter an order to:

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

(b) donate the land to a municipality, as provided in subsection ~~(6)~~ (3), if the land is within the

1 incorporated boundaries of the municipality; ~~or~~

2 (c) donate the ~~lands~~ land to a nonprofit corporation as provided in subsection ~~(7)~~ (3); or

3 (d) retain the land for the county as provided in subsection (3).

4 (2) A ~~When tax-deed land is to be sold, the~~ sale may not be made for a price less than the ~~fair~~
5 ~~market value of the land~~ sales price, as determined and fixed by the board prior to making the order of sale.
6 ~~In determining fair market value, the board shall subtract the amount of outstanding assessments that are~~
7 ~~a lien on the land from the unencumbered value of the land, but the minimum sale price for a parcel of land~~
8 ~~may not be less than \$10.~~ The sales price may be set in an amount sufficient to recover the full amount
9 of taxes, assessments, penalties, and interest due at the time the tax deed was issued to the county plus
10 the county's costs in taking the tax deed and in conducting the sale and additional taxes due, if any, at the
11 time of the sale.

12 (3) A board of county commissioners may, upon expiration of the repurchase period provided for
13 in 7-8-2303:

14 (a) sell the land as provided in subsections (2) and (4);

15 (b) donate the land to a municipality with the consent of the municipality;

16 (c) donate the land to a nonprofit corporation for the purpose of constructing:

17 (i) a multifamily housing development operated by the corporation; or

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

21 (d) retain the land for the county pursuant to 7-8-2501.

22 ~~(3)(4)~~ (4) If ~~no~~ bids are not received at a sale of tax-deed land, the board shall order another auction
23 sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the
24 ~~fair market value~~ sales price of the land determined under subsection (2). In the period of time between the
25 auction conducted under subsection (1), in which there were ~~no~~ not any qualifying bids for the ~~property~~
26 land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a
27 price that is not less than the ~~fair market value~~ sales price that was fixed for the original auction under
28 subsection (1)(a).

29 ~~(4)(5)~~ (5) If ~~no~~ a bid is not received at the sale conducted under subsection ~~(3)~~ (4), the board may
30 dispose of the land as provided in 7-8-2218.

1 ~~(5)~~(6) Notwithstanding the amount of the ~~fair market value~~ sales price fixed by the board prior to
 2 the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or
 3 the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family,
 4 the purchase price may not be less than the amount necessary to pay, in full, ~~all county costs of conducting~~
 5 ~~the sale, delinquent taxes, assessments, and all interest and penalties~~ the taxes, assessments, penalties,
 6 and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate
 7 provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs
 8 of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of
 9 repurchase.

10 ~~(6)~~ A board of county commissioners may, upon expiration of the redemption period provided for
 11 in 15-18-111, donate the land to a municipality with the consent of the municipality.

12 ~~(7)~~ A board of county commissioners may, upon expiration of the redemption period provided for
 13 in 15-18-111, donate the land to a nonprofit corporation for the purpose of constructing:

14 ~~(a)~~ a multifamily housing development operated by the corporation; or

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

18
 19 **Section 2.** Section 7-8-2302, MCA, is amended to read:

20 "**7-8-2302. Notice of sale disposal of tax-deed lands.** (1) Notice of the sale, donation, or retention
 21 of tax-deed lands provided for in 7-8-2301 ~~shall~~ must be given by publication as provided in 7-1-2121 and
 22 ~~shall~~ must also be posted in at least three public places in the county.

23 (2) ~~Posted~~ The posted and published notice ~~shall~~ must be signed by the county clerk, and ~~one~~ the
 24 published notice ~~may~~ must include a list of all lands to be sold, donated, or retained, the ~~appraised~~ fair
 25 market value of the same lands as determined and fixed by the department of revenue, and the time and
 26 place of sale, donation, or retention. ~~The fair market value~~ If the land is to be sold, the sales price as
 27 determined under 7-8-2301 ~~shall~~ must be stated in the published notice of sale."

28
 29 **Section 3.** Section 7-8-2303, MCA, is amended to read:

30 "**7-8-2303. Repurchase rights of taxpayer or successors.** At any time up to 24 hours before the

1 time fixed for the first offering of property for sale or the time fixed for the donation or retention of the
 2 property pursuant to 7-8-2301, the taxpayer or the taxpayer's successor in interest or legal representative
 3 may repurchase the property from the county. The property may be repurchased, subject to the
 4 reservations provided for in 7-8-2305, by payment to the county of the full amount of the taxes,
 5 assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the
 6 full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of repurchase
 7 as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any,
 8 at the time of repurchase. The purchase and payment may be effected by an installment contract with
 9 annual payments as provided for in 7-8-2304."

10
 11 **Section 4.** Section 7-8-2502, MCA, is amended to read:

12 **"7-8-2502. Application of part.** (1) Any lands offered for sale by the county commissioners of any
 13 county ~~under~~ pursuant to 7-8-2301 and not sold at ~~such~~ the sale, any lands classified for retention by the
 14 county, any lands concerning which the preferential right to purchase has been terminated and barred ~~under~~
 15 pursuant to the provisions of 7-8-2303, and any other lands owned by the county, however acquired, may,
 16 in the discretion and at the election of the board, be administered by the board under this part.

17 (2) The board may in its discretion elect to exercise ~~all~~ or any of the powers and authority granted
 18 to it by this part, and to the extent that the board it se ~~elects~~, the provisions of this part ~~shall be~~ are
 19 controlling and ~~shall~~ supersede all conflicting provisions of other laws.

20 (3) The sale, exchange, lease, or issuance of licenses and permits of county lands as provided in
 21 this part ~~shall extend~~ extends only to those lands not necessary to the conduct of the county's business."

22 -END-