

SENATE BILL NO. 393

INTRODUCED BY S. KITZENBERG

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING ALTERNATIVE METHODS OF SALE FOR COUNTY REAL ESTATE BASED UPON THE TYPE AND LOCATION OF THE REAL ESTATE; AMENDING SECTIONS 7-8-2212 AND 7-8-2219, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 7-8-2212, MCA, is amended to read:

"7-8-2212. Notice of sale and public auction required for certain sales. Unless otherwise provided in this part, if real or personal property to be sold is reasonably of a value in excess of \$2,500, the sale of personal property must be at public auction at a site determined by the board of county commissioners after notice by publication, as provided in 7-1-2121, and the sale of real property must be as provided in [section 3]. Property described in 7-8-2211(4) is not subject to the requirements of this section."

Section 2. Section 7-8-2219, MCA, is amended to read:

"7-8-2219. Exchange of county land in case of failure to make sale. If within 1 year ~~no~~ an immediate sale ~~be had~~ of real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220 and [section 3] is not made, the board of county commissioners may make trades or exchanges of ~~such~~ that real estate owned by the county for any other lands or real estate of equal value located within the same county."

NEW SECTION. Section 3. Sales of real estate. (1) Three methods of sale are provided for the sale of real estate pursuant to this part. The methods are competitive sales, modified competitive sales, and direct sales.

(2) A competitive sale at public auction, as provided in 7-8-2212, is the general procedure for sales of county real estate and may be used when there would be a number of interested parties bidding for the lands and:

(a) if, in the judgment of the board of county commissioners, the real estate is accessible and usable regardless of adjoining land ownership; and

1 (b) if the real estate is within a developing or an urban expansion area and real estate values are
2 increasing because of the location and interest on the competitive market.

3 (3) A modified competitive sale may be used to permit an existing lessee or adjoining landowner the
4 opportunity to meet the high bid at the public auction. This procedure may be used to allow for protection of
5 ongoing uses, to ensure compatibility of the possible uses with adjacent lands, and to avoid dislocation of
6 existing users. Real estate offered under this procedure would normally be county land not located near urban
7 expansion areas and not having rapidly increasing land values or when the existing use of adjacent lands would
8 be jeopardized by sale under the public auction procedure.

9 (4) A direct sale may be used when the real estate offered for sale is completely surrounded by land
10 in one ownership with no public access, when the real estate is needed by the state, a city or town, or a nonprofit
11 corporation, or when the real estate is necessary to protect existing equities in the real estate or to resolve
12 inadvertent unauthorized use or occupancy of the real estate.

13 (5) If real estate has been offered for sale by one method of sale and the real estate remains unsold,
14 then the real estate may be reoffered by another method of sale. Subject to 7-8-2213, a sale of real estate must
15 be for at least the appraised value of the real estate.

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17 **NEW SECTION. Section 4. Codification instruction.** [Section 3] is intended to be codified as an
18 integral part of Title 7, chapter 8, part 22, and the provisions of Title 7, chapter 8, part 22, apply to [section 3].

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20 **NEW SECTION. Section 5. Effective date.** [This act] is effective July 1, 2003.

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