

## HOUSE BILL NO. 386

INTRODUCED BY G. HERTZ

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROVISIONS FOR SUSPENSION OF DELINQUENT PROPERTY TAXES ON COMMERCIAL PROPERTY; AMENDING SECTION 15-24-1701, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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10 **Section 1.** Section 15-24-1701, MCA, is amended to read:

11 **"15-24-1701. Suspension and cancellation of collection of certain property taxes on commercial**  
12 **property -- subordination of county tax lien -- local government discretion.** (1) The governing body of a  
13 county or consolidated local government unit may suspend collection of delinquent property taxes on commercial  
14 property to facilitate the purchase and continued operation of a business utilizing the commercial property if the  
15 property has not been used in a business for 6 months immediately preceding the date of suspension.

16 (2) The governing body may refuse to suspend delinquent taxes if it determines that the purchase of the  
17 commercial property is not an arm's-length transaction or if the purchase otherwise appears to be a restructuring  
18 of ownership for the primary purpose of escaping payment of delinquent property taxes or if the governing body  
19 determines the suspension is not in the best interest of the county.

20 (3) If the purchaser is obtaining financing as a part of a purchase agreement, the purchaser may request  
21 and the governing body may grant a subordination of the suspended tax lien to the financing. The request must  
22 include an operational plan, levels of employment, and other factors the governing body may consider important  
23 in determining if subordination of the county's tax lien position is in the best interest of the people of the county.  
24 Subordination does not diminish any other claims of tax lien as established by this section.

25 (4) ~~If a purchaser of the commercial property continuously utilizes the property in a profit-oriented,~~  
26 ~~employment-stimulating business for 3 years from the date of purchase~~ Upon the request of the purchaser, the  
27 governing body may cancel the collection of the suspended delinquent property taxes, in accordance with  
28 15-24-1702, after holding a public hearing and making a determination that canceling the suspended delinquent  
29 property taxes is in the best interest of the public. The governing body may not cancel the suspended delinquent  
30 property taxes if the purchaser is delinquent on taxes for any other property within the governing body's taxing

1 jurisdiction."

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3 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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