

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE SALE OF TAX-DEED LAND AT AN
5 AMOUNT LESS THAN APPRAISED VALUE; PROVIDING THAT THE SALE ONLY TAKES PLACE IF THE
6 TAX-DEED LAND DID NOT SELL IN TWO CONSECUTIVE AUCTIONS; AND AMENDING SECTIONS 7-8-
7 2301 AND 7-8-2513, MCA."

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

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

12 **"7-8-2301. Disposal of county tax-deed land.** (1) Whenever the county acquires land by tax deed, it
13 is the duty of the board of county commissioners, within 6 months after acquiring title, to enter an order to:

- 14 (a) sell the land at public auction;
- 15 (b) donate the land to a municipality, as provided in subsection (3), if the land is within the
- 16 incorporated boundaries of the municipality;
- 17 (c) donate the land or sell the land at a reduced price to a corporation as provided in subsection (3);
- 18 or
- 19 (d) retain the land for the county as provided in subsection (3).

20 (2) When tax-deed land is to be sold, the sale may not be made for a price less than the sales price
21 determined and fixed by the board prior to making the order of sale. The sales price may be set in an amount
22 sufficient to recover the full amount of taxes, assessments, penalties, and interest due at the time the tax deed
23 was issued to the county plus the county's costs in taking the tax deed and in conducting the sale and
24 additional taxes due, if any, at the time of the sale.

25 (3) A board of county commissioners may, upon expiration of the repurchase period provided for in 7-
26 8-2303:

- 27 (a) sell the land as provided in subsections (2), ~~and (4)~~, and (5);
- 28 (b) donate the land to a municipality with the consent of the municipality;

1 (c) donate the land or sell the land at a reduced price to a corporation for the purpose of constructing:

2 (i) a multifamily housing development operated by the corporation for low-income housing;

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

6 (iii) improvements to real property or modifying, altering, or repairing improvements to real property
7 that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to
8 pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or
9 other use of the donated land and improvements;

10 (d) retain the land for the county.

11 (4) If bids are not received at a sale of tax-deed land, the board shall order another auction sale of the
12 land under this part within 6 months and may, if required by the circumstances, redetermine the sales price of
13 the land determined under subsection (2). In the period of time between the auction conducted under
14 subsection (1), in which there were not any qualifying bids for the land, and an auction held pursuant to this
15 subsection, the land is retained by the county and is subject to the provisions of part 25.

16 (5) If a bid is not received at the sale conducted under subsection (4), the board may:

17 (a) dispose of the land as provided in part 25; or

18 (b) at any time after the auction, sell the property by auction and accept as the purchase price an
19 amount less than the appraised value of the property.

20 (6) Notwithstanding the amount of the sales price fixed by the board prior to the auction conducted
21 under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or the taxpayer's successor in
22 interest, the taxpayer's agent, or a member of the taxpayer's immediate family, the purchase price may not be
23 less than the amount necessary to pay, in full, the taxes, assessments, penalties, and interest due on the land
24 at the time of taking the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the
25 date of the tax deed to the date of the repurchase as well as the costs of the county in taking the tax deed and
26 additional taxes or assessments due, if any, at the time of repurchase.

27 (7) Land that is transferred pursuant to subsection (3)(c) must be used to permanently provide low-
28 income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

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Section 2. Section 7-8-2513, MCA, is amended to read:

"7-8-2513. Appraisal of land required -- exception -- challenge -- restrictions. (1) The county commissioners shall, before they sell, exchange, or lease lands with an estimated value of more than \$20,000 under the provisions of this part, have the lands appraised by a disinterested certified general real estate appraiser to determine the value of the lands for the purpose of the sale, exchange, or lease.

(2) For the purposes of this section, a renewal of the lease is considered an initial lease if the renewal is for a term exceeding 5 years.

(3) The board of county commissioners may lease mineral interests in land, whether the interests are severed or not, without an appraisal as required by subsection (1).

(4) A taxpayer who believes that the appraised value under this section is less than the actual value of the property may challenge the appraised value. The procedure provided in 7-8-2215 must be followed when a challenge of the appraised value of real property under this part is filed.

(5) Except as otherwise provided by law, the board of county commissioners may not under the provisions of this part sell, exchange, or lease lands appraised pursuant to subsection (1) for less than the appraised value.

(6) This section does not apply to land acquired by tax deed that failed to sell for appraised value as provided in 7-8-2301(5)(b)."

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