

HOUSE BILL NO. 38

INTRODUCED BY D. LOGE

BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF TRANSPORTATION TO TRANSFER AN INTEREST IN EXCESS REAL PROPERTY AT BELOW FAIR MARKET VALUE TO ANOTHER STATE AGENCY; AND AMENDING SECTIONS 60-4-202 AND 60-4-203, 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. (1) The department may sell an interest in real property if the department determines that the property is not necessary to the laying out, altering, construction, improvement, or maintenance of a highway. Except as provided in 60-4-213 through 60-4-218 and subsection (2) of this section, if the interest is reasonably of a value in excess of \$10,000, sale must be made to the highest bidder at public auction. The sale of an interest at auction must be conducted as provided in 77-2-321.

(2) (a) The department may sell an interest in real property without a public auction directly to:

- (i) a federal, state, tribal, or local government;
- (ii) an agency of government;
- (iii) a school district; or
- (iv) a unit of the Montana university system.

(b) ~~The~~ Except as provided in subsection (2)(c), the department shall obtain fair market value for the property.

(c) The department may sell an interest in real property at less than fair market value if:

- (i) the acquiring entity is another state agency;
- (ii) the director of the department determines that it is in the state's best interest to sell the property for less than fair market value; and
- (iii) the acquiring state agency agrees that the property will remain in public ownership.

(d) The department shall report annually all sales of real property to other state agencies at less than fair market value to the revenue and transportation interim committee.

1 (3) Except as provided in 60-4-213 through 60-4-218 and subsection (2)(c) of this section, before the
2 department sells an interest in real property as provided in subsection (2), the department shall notify all
3 landowners whose property is adjacent to the land proposed for sale. If any of the landowners are interested in
4 buying the land proposed for sale, the landowners shall notify the department of their interest by registered letter
5 within 30 days of the receipt of the notice of sale from the department. Upon receipt of a notice of interest, the
6 department shall offer the land for sale as provided in 60-4-203 and this section."

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

9 **"60-4-203. Conduct of sale.** (1) Except as provided in 60-4-202(2)(c) and 60-4-213 through 60-4-218,
10 the department shall publish notice of the sale once a week for 4 successive weeks in a newspaper published
11 in the county in which the interest is located. The notice of sale must contain the information required by
12 77-2-322. Sale must be held in the county where the property is located.

13 (2) Except as provided in 60-4-202(2)(c) and 60-4-213 through 60-4-218, before the sale of an interest
14 having a value in excess of \$10,000, the department must have the interest appraised at a price representing a
15 fair market value. The appraised value must be stated in the published notice.

16 (3) Except as provided in 60-4-202(2)(c) and 60-4-213 through 60-4-218, a sale of an interest may not
17 be made unless it has been appraised within 3 months prior to the date of the sale. A sale may not be made for
18 less than 90% of the appraised value.

19 (4) Except as provided in 60-4-202(2)(c) and 60-4-213 through 60-4-218, title to an interest may not pass
20 from the state until the purchaser has paid the full amount of the purchase price into the state treasury to the
21 credit of the department."

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