

Handbook Highlight from the Montana Municipal Officials Handbook

Acquiring Personal Property

REAL AND PERSONAL PROPERTY

For most municipal purposes there are two classes of tangible property: “real property” and “personal property.” Real property includes land and whatever buildings, structures (appurtenances) that are affixed to land or whatever is growing upon the land. Personal property is, in general, all property other than real property and includes, among other tangible things, a municipality’s capital equipment, as discussed below.

6.103 Acquiring Personal Property

Most personal property, such as operating equipment (fire engines, police cruisers, office equipment and construction equipment, etc.) is acquired by a city or town by means of a purchase transaction. However, the law requires that if the equipment (or materials or supplies) cost more than \$50,000, purchase must be by means of advertised, competitive bid ([7-5-4302](#), MCA).

The procedures for purchasing property by bid are set forth explicitly in the statute, as follows:

- The advertisement must be published as provided in [7-1-4127](#), MCA, and the second publication must be made not less than 5 days or more than 12 days before the consideration of bids. If the advertisement is made by posting, 15 days must elapse, including the day of posting, between the time of the posting of the advertisement and the day set for considering bids.
- The council may:
 - (a) Postpone awarding a contract until the next regular meetings after bids are received in response to the advertisement;
 - (b) Reject any or all bids; and
 - (c) Re-advertise as provided in this section.

- Exceptions to the required bid procedure include purchases made under specified emergency circumstances and with the approval of a three-fourths majority of the council. Additionally, a bid process is not required when purchasing equipment or supplies from a government agency at a substantial savings to the city or town ([7-5-4303](#), MCA).
- The terms of a contract for purchase of property that extends for a period of five years or more must be submitted to the voters ([7-5-4304](#), MCA).
- When the amount to be paid under an installment purchase contract exceeds \$4,000, the council may provide for the payment of the amount in installments extending over a period of not more than 10 years ([7-5-4306](#), MCA).
- In lieu of soliciting bids, the council may purchase at public auction any vehicle, machinery, appliances, apparatus, building, or materials and supplies for which must be paid a sum of \$50,000 or less ([7-5-4310](#), MCA).

In addition to the purchase of property, a city or town may also acquire real or personal property as a gift, grant, donation or bequest. However, such property shall be administered and used by the city or town for the particular purpose for which the same was given, donated, granted, devised, or bequeathed. In the event no particular purpose is mentioned in such gift, donation, grant, devise, or bequest, then the same shall be used for the general support, maintenance, or improvement of the city or town ([7-8-103](#), MCA).