



ADMINISTRATIVE RULES OF MONTANA

8.104.214 FINANCIAL GUARANTEE OF TAX PREPAYMENTS

- (1) The financial guarantee required of a developer by 90-6-309(3), MCA, to assure that property tax prepayments will be paid as needed by local government units must, at a minimum, meet the following requirements:
 - (a) The guarantee must cover the total amount of money the developer has committed to prepay with adequate provisions for any conditional payments provided for in the impact plan. Both the total amount covered by the guarantee and the specific purpose of each prepayment must be specified with sufficient clarity that it can be determined that the guarantee corresponds with and is sufficient to meet all prepayment commitments in the approved impact plan;
 - (b) The guarantee must make the money accessible to the board in the event of a default on the part of the developer or the need for the board to resolve a dispute between the developer and an affected local government unit; and
 - (c) The funds contained in the guarantee mechanism must be protected from all uses not specified in or provided for by an approved impact plan or an approved amendment to the plan.
 - (d) The guarantee must be provided through a financially sound third-party financial institution that is acceptable to the board and in which the developer does not have a significant financial interest.
- (2) The financial guarantee must be submitted to the board in sufficient time that it may be approved by the board and be in place before mining activities under an operating permit issued by the Department of Environmental Quality commence or prior to the time an affected local government unit must incur a financial obligation in implementation of the approved impact plan and in anticipation of revenues protected by the financial guarantee, whichever occurs first.

Authorizing statute(s): 90-6-305, MCA

Implementing statute(s): 90-6-309, MCA

History: NEW, 1986 MAR p. 1826, Eff. 10/31/86; AMD, 1994 MAR p. 2718, Eff. 10/14/94; AMD, 2008 MAR p. 945, Eff. 5/9/08.