

HOUSE BILL NO. 757
INTRODUCED BY KADAS

IN THE HOUSE

FEBRUARY 12, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON TAXATION.

 FIRST READING.

MARCH 7, 1991 COMMITTEE RECOMMEND BILL
 DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 8, 1991 PRINTING REPORT.

MARCH 9, 1991 SECOND READING, DO PASS.

MARCH 11, 1991 ENGROSSING REPORT.

MARCH 12, 1991 THIRD READING, PASSED.
 AYES, 90; NOES, 8.

 TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 13, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON TAXATION.

 FIRST READING.

MARCH 27, 1991 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN AS AMENDED. REPORT
 ADOPTED.

APRIL 1, 1991 SECOND READING, CONCURRED IN.

APRIL 2, 1991 THIRD READING, CONCURRED IN.
 AYES, 48; NOES, 1.

 RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 9, 1991 RECEIVED FROM SENATE.

 SECOND READING, AMENDMENTS
 CONCURRED IN.

APRIL 10, 1991 THIRD READING, AMENDMENTS

CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 757
2 INTRODUCED BY Kadas

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A PROCESS
5 FOR ASSESSING AND COLLECTING TAXES ON REAL PROPERTY AND
6 IMPROVEMENTS THAT CHANGED FROM AN EXEMPT STATUS TO A TAXABLE
7 STATUS DURING THE TAXABLE YEAR; AMENDING SECTIONS 15-8-201
8 AND 15-16-102, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

11 NEW SECTION. **Section 1.** Assessment of property
12 previously exempt. (1) Real property or improvements exempt
13 from taxation under Title 15, chapter 6, that during a
14 taxable year become the property of a person subject to
15 taxation must be assessed and taxed from the date of change
16 from a nontaxable status to a taxable status.

17 (2) As provided in subsection (3), the county treasurer
18 shall adjust the tax that would have been due and payable
19 for the current year on the property under 15-16-102 had the
20 property not been exempt.

21 (3) To determine the amount of tax due for previously
22 exempt property, the county treasurer shall multiply the
23 amount of tax levied and assessed on the original taxable
24 value of the property for the year by the ratio that the
25 number of days in the year that the property will be in

1 taxable status bears to 365.

2 (4) If the property has not been assessed and taxed
3 during the taxable year because of exemption, the state or
4 its agent shall prepare a special assessment for the
5 property and the county treasurer shall determine the amount
6 of taxes that would have been due under 15-16-102.

7 (5) Upon determining the amount of tax due, the county
8 treasurer shall notify the person to whom the tax is
9 assessed, in the same manner as notification is provided
10 under 15-16-101(2), of the amount due and the date or dates
11 on which the taxes due are payable.

12 **Section 2.** Section 15-8-201, MCA, is amended to read:

13 "15-8-201. **General assessment day.** (1) The department
14 of revenue or its agent must, between January 1 and the
15 second Monday of July in each year, ascertain the names of
16 all taxable inhabitants and assess all property subject to
17 taxation in each county. The department or its agent must
18 assess property to the person by whom it was owned or
19 claimed or in whose possession or control it was at midnight
20 of January 1 next preceding. It must also ascertain and
21 assess all mobile homes arriving in the county after
22 midnight of January 1 next preceding. No mistake in the name
23 of the owner or supposed owner of real property, however,
24 renders the assessment invalid.

25 (2) The procedure provided by this section may not



INTRODUCED BILL
HB 757

1 apply to:

2 (a) motor vehicles that are required by 15-8-202 to be
3 assessed on January 1 or upon their anniversary registration
4 date;

5 (b) motor homes, travel trailers, and campers;

6 (c) watercraft;

7 (d) livestock;

8 (e) property defined in 61-1-104 as "special mobile
9 equipment" that is subject to assessment for personal
10 property taxes on the date that application is made for a
11 special mobile equipment plate; and

12 (f) mobile homes held by a distributor or dealer of
13 mobile homes as a part of his stock in trade; and

14 (g) property subject to the provisions of [section 1].

15 (3) Credits must be assessed as provided in
16 15-1-101(1)(f)."

17 **Section 3.** Section 15-16-102, MCA, is amended to read:

18 "15-16-102. (Temporary) Time for payment -- penalty for
19 delinquency. Except as provided in 15-16-802, and 15-16-803,
20 and [section 1] and unless suspended or canceled under the
21 provisions of Title 15, chapter 24, part 17, all taxes
22 levied and assessed in the state of Montana, except
23 assessments made for special improvements in cities and
24 towns payable under 15-16-103 and assessments made on
25 interim production and new production as provided in Title

1 15, chapter 23, part 6, and payable under 15-16-121, shall
2 be payable as follows:

3 (1) One-half of the taxes are payable on or before 5
4 p.m. on November 30 of each year or within 30 days after the
5 tax notice is postmarked, whichever is later, and one-half
6 on or before 5 p.m. on May 31 of each year.

7 (2) Unless one-half of the taxes are paid on or before
8 5 p.m. on November 30 of each year or within 30 days after
9 the tax notice is postmarked, whichever is later, then the
10 amount so payable shall become delinquent and shall draw
11 interest at the rate of 5/6 of 1% per month from and after
12 the delinquency until paid and 2% shall be added to the
13 delinquent taxes as a penalty.

14 (3) All taxes due and not paid on or before 5 p.m. on
15 May 31 of each year shall be delinquent and shall draw
16 interest at the rate of 5/6 of 1% per month from and after
17 the delinquency until paid and 2% shall be added to the
18 delinquent taxes as a penalty.

19 (4) If the date on which taxes are due falls on a
20 holiday or Saturday, taxes may be paid without penalty or
21 interest on or before 5 p.m. of the next business day in
22 accordance with 1-1-307.

23 (5) A taxpayer may pay his current year taxes without
24 paying delinquent taxes. The county treasurer must accept a
25 partial payment equal to the delinquent taxes, including

1 penalty and interest, for one or more full taxable years,
 2 provided both halves of the current tax year have been paid.
 3 Payment of delinquent taxes must be applied to the taxes
 4 that have been delinquent the longest. The payment of the
 5 current tax year is not a redemption of the property tax
 6 lien for any delinquent tax year.

7 (6) The penalty and interest on delinquent assessment
 8 payments for specific parcels of land may be waived by
 9 resolution of the city council. A copy of the resolution
 10 must be certified to the county treasurer.

11 15-16-102. (Effective January 1, 1994) Time for payment
 12 -- penalty for delinquency. Except as provided in 15-16-802,
 13 and 15-16-803, and [section 1], all taxes levied and
 14 assessed in the state of Montana, except assessments made
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 21 tax notice is postmarked, whichever is later, and one-half
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 24 5 p.m. on November 30 of each year or within 30 days after
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LC 1598/01

1 must be certified to the county treasurer."

2 NEW SECTION. **Section 4. Codification instruction.**

3 [Section 1] is intended to be codified as an integral part
4 of Title 15, chapter 16, part 2, and the provisions of Title
5 15, chapter 16, part 2, apply to [section 1].

6 NEW SECTION. **Section 5. Applicability.** [This act]
7 applies after December 31, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for HB0757, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide a process for assessing and collecting taxes on real property and improvements that changed from an exempt status to a taxable status during the taxable year; and providing an applicability date.

FISCAL IMPACT:

The proposal would result in an increase in local and state property tax revenue in FY93 and following fiscal years. However, the department does not have adequate information with which to estimate the extent of the revenue increase. The proposal would require closer monitoring of transfers of property deeds, resulting in an increase in workload.



ROD SUNDESTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 2-15-91



MIKE KADAS, PRIMARY SPONSOR DATE
2/16/91

Fiscal Note for HB0757, as introduced

HB 757

APPROVED BY COMMITTEE
ON TAXATION

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 3 during the taxable year because of exemption, the state or
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 6 of taxes that would have been due under ~~15-16-102~~ SUBSECTION
 7 (2).

8 (5) Upon determining the amount of tax due, the county
 9 treasurer shall notify the person to whom the tax is
 10 assessed, in the same manner as notification is provided
 11 under 15-16-101(2), of the amount due and the date or dates
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 23 midnight of January 1 next preceding. No mistake in the name
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 25 renders the assessment invalid.

1 (2) The procedure provided by this section may not
2 apply to:

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4 assessed on January 1 or upon their anniversary registration
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3 NEW SECTION. **Section 4.** Codification instruction.
4 [Section 1] is intended to be codified as an integral part
5 of Title 15, chapter 16, part 2, and the provisions of Title
6 15, chapter 16, part 2, apply to [section 1].

7 NEW SECTION. **Section 5.** Applicability. [This act]
8 applies after December 31, 1991.

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HOUSE BILL NO. 757
INTRODUCED BY KADAS

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A PROCESS FOR ASSESSING AND COLLECTING TAXES ON REAL PROPERTY AND IMPROVEMENTS THAT CHANGED FROM AN EXEMPT STATUS TO A TAXABLE STATUS DURING THE TAXABLE YEAR; AMENDING SECTIONS 15-8-201 AND 15-16-102, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1.** Assessment of property

previously exempt. (1) Real property or improvements exempt from taxation under Title 15, chapter 6, that during a taxable year become the property of a person subject to taxation must be assessed and taxed from the date of change from a nontaxable status to a taxable status.

(2) As provided in subsection (3), the county treasurer shall adjust the tax that would have been due and payable for the current year on the property under 15-16-102 had the property not been exempt.

(3) To determine the amount of tax due for previously exempt property, the county treasurer shall multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property will be in

taxable status bears to 365.

(4) If the property has not been assessed and taxed during the taxable year because of exemption, the state or its agent shall prepare a special assessment for the property and the county treasurer shall determine the amount of taxes that would have been due under ~~15-16-102~~ SUBSECTION (2).

(5) Upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due and the date or dates on which the taxes due are payable.

Section 2. Section 15-8-201, MCA, is amended to read:

"15-8-201. General assessment day. (1) The department of revenue or its agent must, between January 1 and the second Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject to taxation in each county. The department or its agent must assess property to the person by whom it was owned or claimed or in whose possession or control it was at midnight of January 1 next preceding. It must also ascertain and assess all mobile homes arriving in the county after midnight of January 1 next preceding. No mistake in the name of the owner or supposed owner of real property, however, renders the assessment invalid.



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18 **Section 3.** Section 15-16-102, MCA, is amended to read:

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20 delinquency. Except as provided in 15-16-802, and 15-16-803,
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HB 0757/02

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7 NEW SECTION. **Section 5. Applicability.** [This act]
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 27, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 757 (third reading copy -- blue), respectfully report that House Bill No. 757 be amended and as so amended be concurred in:

1. Title, lines 7.

Strike: "SECTIONS"

Insert: "SECTION"

2. Title, line 8.

Strike: "AND 15-16-102"

3. Page 2, line 3.

Strike: "state"

Insert: "department of revenue"

4. Page 2, line 12.

Following: "payable"

Insert: "as provided in 15-16-102"

5. Page 3, line 18 through page 7, line 2.

Strike: section 3 in its entirety

Renumber: subsequent sections

Signed: _____


Mike Halligan, Chairman

JA 3-27-91
App. Coord.

SB 3-27
Sec. of Senate

2:15

SENATE
HB 757

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16 taxation must be assessed and taxed from the date of change
17 from a nontaxable status to a taxable status.

18 (2) As provided in subsection (3), the county treasurer
19 shall adjust the tax that would have been due and payable
20 for the current year on the property under 15-16-102 had the
21 property not been exempt.

22 (3) To determine the amount of tax due for previously
23 exempt property, the county treasurer shall multiply the
24 amount of tax levied and assessed on the original taxable
25 value of the property for the year by the ratio that the

1 number of days in the year that the property will be in
2 taxable status bears to 365.

3 (4) If the property has not been assessed and taxed
4 during the taxable year because of exemption, the state
5 DEPARTMENT OF REVENUE or its agent shall prepare a special
6 assessment for the property and the county treasurer shall
7 determine the amount of taxes that would have been due under
8 15-16-102 SUBSECTION (2).

9 (5) Upon determining the amount of tax due, the county
10 treasurer shall notify the person to whom the tax is
11 assessed, in the same manner as notification is provided
12 under 15-16-101(2), of the amount due and the date or dates
13 on which the taxes due are payable AS PROVIDED IN 15-16-102.

14 **Section 2.** Section 15-8-201, MCA, is amended to read:

15 "15-8-201. General assessment day. (1) The department
16 of revenue or its agent must, between January 1 and the
17 second Monday of July in each year, ascertain the names of
18 all taxable inhabitants and assess all property subject to
19 taxation in each county. The department or its agent must
20 assess property to the person by whom it was owned or
21 claimed or in whose possession or control it was at midnight
22 of January 1 next preceding. It must also ascertain and
23 assess all mobile homes arriving in the county after
24 midnight of January 1 next preceding. No mistake in the name
25 of the owner or supposed owner of real property, however,

1 renders the assessment invalid.

2 (2) The procedure provided by this section may not
3 apply to:

4 (a) motor vehicles that are required by 15-8-202 to be
5 assessed on January 1 or upon their anniversary registration
6 date;

7 (b) motor homes, travel trailers, and campers;

8 (c) watercraft;

9 (d) livestock;

10 (e) property defined in 61-1-104 as "special mobile
11 equipment" that is subject to assessment for personal
12 property taxes on the date that application is made for a
13 special mobile equipment plate; and

14 (f) mobile homes held by a distributor or dealer of
15 mobile homes as a part of his stock in trade; and

16 (g) property subject to the provisions of [section 1].

17 (3) Credits must be assessed as provided in
18 15-1-101(1)(f)."

19 ~~Section 3, Section 15-16-102, MCA, is amended to read:~~

20 ~~"15-16-102. (Temporary) Time for payment --- penalty for~~
21 ~~delinquency. Except as provided in 15-16-802 and 15-16-803~~
22 ~~and [section 1] and unless suspended or canceled under the~~
23 ~~provisions of Title 15, chapter 24, part 17, all taxes~~
24 ~~levied and assessed in the state of Montana, except~~
25 ~~assessments made for special improvements in cities and~~

1 ~~towns payable under 15-16-103 and assessments made on~~
2 ~~interim production and new production as provided in Title~~
3 ~~15, chapter 23, part 6, and payable under 15-16-121 shall~~
4 ~~be payable as follows:~~

5 ~~(1) One-half of the taxes are payable on or before 5~~
6 ~~p.m. on November 30 of each year or within 30 days after the~~
7 ~~tax notice is postmarked, whichever is later, and one-half~~
8 ~~on or before 5 p.m. on May 31 of each year.~~

9 ~~(2) Unless one-half of the taxes are paid on or before~~
10 ~~5 p.m. on November 30 of each year or within 30 days after~~
11 ~~the tax notice is postmarked, whichever is later, then the~~
12 ~~amount so payable shall become delinquent and shall draw~~
13 ~~interest at the rate of 5/6 of 1% per month from and after~~
14 ~~the delinquency until paid and 2% shall be added to the~~
15 ~~delinquent taxes as a penalty.~~

16 ~~(3) All taxes due and not paid on or before 5 p.m. on~~
17 ~~May 31 of each year shall be delinquent and shall draw~~
18 ~~interest at the rate of 5/6 of 1% per month from and after~~
19 ~~the delinquency until paid and 2% shall be added to the~~
20 ~~delinquent taxes as a penalty.~~

21 ~~(4) If the date on which taxes are due falls on a~~
22 ~~holiday or Saturday, taxes may be paid without penalty or~~
23 ~~interest on or before 5 p.m. of the next business day in~~
24 ~~accordance with 1-1-307.~~

25 ~~(5) A taxpayer may pay his current year taxes without~~

1 paying delinquent taxes. The county treasurer must accept a
 2 partial payment equal to the delinquent taxes, including
 3 penalty and interest, for one or more full taxable years,
 4 provided both halves of the current tax year have been paid.
 5 Payment of delinquent taxes must be applied to the taxes
 6 that have been delinquent the longest. The payment of the
 7 current tax year is not a redemption of the property tax
 8 lien for any delinquent tax year.

9 (6) The penalty and interest on delinquent assessment
 10 payments for specific parcels of land may be waived by
 11 resolution of the city council. A copy of the resolution
 12 must be certified to the county treasurer.

13 15-16-102. (Effective January 17, 1994) Time for payment
 14 penalty for delinquency. Except as provided in 15-16-802,
 15 and 15-16-803, and section 11, all taxes levied and
 16 assessed in the state of Montana, except assessments made
 17 for special improvements in cities and towns payable under
 18 15-16-103 and assessments made on interim production and new
 19 production as provided in Title 15, chapter 23, part 6, and
 20 payable under 15-16-121, shall be payable as follows:

21 (1) One half of the taxes are payable on or before 5
 22 p.m. on November 30 of each year or within 30 days after the
 23 tax notice is postmarked, whichever is later, and one half
 24 on or before 5 p.m. on May 31 of each year.

25 (2) Unless one half of the taxes are paid on or before

1 5 p.m. on November 30 of each year or within 30 days after
 2 the tax notice is postmarked, whichever is later, then the
 3 amount so payable shall become delinquent and shall draw
 4 interest at the rate of 5/6 of 1% per month from and after
 5 the delinquency until paid and 2% shall be added to the
 6 delinquent taxes as a penalty.

7 (3) All taxes due and not paid on or before 5 p.m. on
 8 May 31 of each year shall be delinquent and shall draw
 9 interest at the rate of 5/6 of 1% per month from and after
 10 the delinquency until paid and 2% shall be added to the
 11 delinquent taxes as a penalty.

12 (4) If the date on which taxes are due falls on a
 13 holiday or Saturday, taxes may be paid without penalty or
 14 interest on or before 5 p.m. of the next business day in
 15 accordance with 1-1-307.

16 (5) A taxpayer may pay his current year taxes without
 17 paying delinquent taxes. The county treasurer must accept a
 18 partial payment equal to the delinquent taxes, including
 19 penalty and interest, for one or more full taxable years,
 20 provided both halves of the current tax year have been paid.
 21 Payment of delinquent taxes must be applied to the taxes
 22 that have been delinquent the longest. The payment of the
 23 current tax year is not a redemption of the property tax
 24 lien for any delinquent tax year.

25 (6) The penalty and interest on delinquent assessment

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1 ~~payments for specific parcels of land may be waived by~~
2 ~~resolution of the city council. A copy of the resolution~~
3 ~~must be certified to the county treasurer."~~

4 NEW SECTION. **Section 3. Codification** instruction.
5 [Section 1] is intended to be codified as an integral part
6 of Title 15, chapter 16, part 2, and the provisions of Title
7 15, chapter 16, part 2, apply to [section 1].

8 NEW SECTION. **Section 4. Applicability.** [This act]
9 applies after December 31, 1991.

-End-