

HOUSE BILL NO. 537

INTRODUCED BY HUENNEKENS

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

January 28, 1981	Introduced and referred to Committee on Judiciary.
January 31, 1981	Fiscal note requested.
February 5, 1981	Fiscal note returned.
February 16, 1981	Committee recommend bill do pass. Report adopted.
February 17, 1981	Bill printed and placed on members' desks.
February 19, 1981	Second reading, do pass.
February 20, 1981	Considered correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 89; Noes, 9. Transmitted to Senate.

IN THE SENATE

March 2, 1981	Introduced and referred to Committee on Judiciary.
March 17, 1981	Committee recommend bill be concurred in. Report adopted.
March 19, 1981	Second reading, concurred in.
March 21, 1981	Third reading, concurred in. Ayes, 48; Noes, 0.

IN THE HOUSE

March 23, 1981

Returned from Senate.
Concurred in. Sent to
enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 537
2 INTRODUCED BY Hammaker

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A 5-YEAR
6 STATUTE OF LIMITATIONS FOR ACTIONS BASED ON A STATUTORY DEBT
7 CREATED BY THE PAYMENT OF PUBLIC ASSISTANCE; AMENDING
8 SECTION 27-2-211, MCA."

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

11 Section 1. Section 27-2-211, MCA, is amended to read:
12 "27-2-211. Actions to enforce penalty or forfeiture or
13 other statutory liability. (1) Within 2 years is the period
14 prescribed for the commencement of an action upon:

15 (a) a statute for a penalty or forfeiture when the
16 action is given to an individual or to an individual and the
17 state, except when the statute imposing it prescribes a
18 different limitation;

19 (b) a statute or an undertaking in a criminal action
20 for a forfeiture or penalty to the state;

21 (c) a liability created by statute other than:
22 (i) a penalty or forfeiture; or
23 (ii) a statutory debt created by the payment of public
24 assistance.

25 (2) The period prescribed for the commencement of an

1 action by a municipal corporation for the violation of any
2 city or town ordinance is within 1 year.

3 (3) Notwithstanding any other provision of this
4 chapter, actions against directors or stockholders of a
5 corporation to recover a penalty or forfeiture imposed or to
6 enforce a liability created by law must be brought within 3
7 years after the discovery by the aggrieved party of the
8 facts upon which the penalty of forfeiture attached or the
9 liability was created.

10 ~~(4) Unless fraud is involved, an action to enforce a~~
11 ~~statutory debt created by the payment of public assistance~~
12 ~~must be brought within 5 years from the date the debt~~
13 ~~arises. If fraud is involved, an action must be brought~~
14 ~~within 5 years of the discovery of the fraud."~~

-End-

-2- INTRODUCED BILL
HB 537

STATE OF MONTANA

REQUEST NO. _____

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 81, there is hereby submitted a Fiscal Note for House Bill 537 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

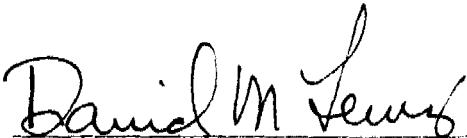
DESCRIPTION

This proposal would create a five year statute of limitations on actions to enforce a statutory debt created by the payment of public assistance.

IMPACT

It is impossible to determine the fiscal impact of this proposal. There is an increasing number of statutory debts created by payment of public assistance, (for example: AFDC) while the number of individuals working in the collections area has remained relatively fixed. The result is a growing backlog of cases in each of which an action must be brought within two years or the power to collect the debt is lost. A debtor has an opportunity to avoid his debt simply because his case is not processed in a timely fashion. The extension of the length of the period would make this outcome less likely.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-5-81

Approved by Committee on Judiciary

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2 INTRODUCED BY H. [Signature]
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24 assistance.

25 (2) The period prescribed for the commencement of an

1 action by a municipal corporation for the violation of any
2 city or town ordinance is within 1 year.

3 (3) Notwithstanding any other provision of this
4 chapter, actions against directors or stockholders of a
5 corporation to recover a penalty or forfeiture imposed or to
6 enforce a liability created by law must be brought within 3
7 years after the discovery by the aggrieved party of the
8 facts upon which the penalty of forfeiture attached or the
9 liability was created.

10 ~~(4) Unless fraud is involved, an action to enforce a~~
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-End-

-2- SECOND READING
HB 537

HOUSE BILL NO. 537

INTRODUCED BY Therese

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A 5-YEAR STATUTE OF LIMITATIONS FOR ACTIONS BASED ON A STATUTORY DEBT CREATED BY THE PAYMENT OF PUBLIC ASSISTANCE; AMENDING SECTION 27-2-211, MCA."

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(b) a statute or an undertaking in a criminal action for a forfeiture or penalty to the state;

(c) a liability created by statute other than:

(i) a penalty or forfeiture; or

(ii) a statutory debt created by the payment of public assistance.

(2) The period prescribed for the commencement of an

action by a municipal corporation for the violation of any city or town ordinance is within 1 year.

(3) Notwithstanding any other provision of this chapter, actions against directors or stockholders of a corporation to recover a penalty or forfeiture imposed or to enforce a liability created by law must be brought within 3 years after the discovery by the aggrieved party of the facts upon which the penalty of forfeiture attached or the liability was created.

~~(4) Unless fraud is involved, an action to enforce a statutory debt created by the payment of public assistance must be brought within 5 years from the date the debt arises. If fraud is involved, an action must be brought within 5 years of the discovery of the fraud.~~

-End-

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12 must be brought within 5 years from the date the debt
13 arises. If fraud is involved, an action must be brought
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-End-