

Senate Bill 280

In The Senate

January 26, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
February 2, 1981	Fiscal note returned.
March 9, 1981	Committee recommend bill do not pass.

1 INTRODUCED BY Sen. *Spicer* BILL NO. 280
2 vs. *Dalkony*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE RATE OF
5 INTEREST CHARGED ON DELINQUENT PROPERTY TAXES TO 3 PERCENT
6 PER ANNUM ABOVE THE DISCOUNT RATE IN EFFECT AT THE DATE OF
7 DELINQUENCY IN THE NINTH FEDERAL RESERVE DISTRICT; AMENDING
8 SECTIONS 15-16-101, 15-16-102, AND 15-17-303, MCA."

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

11 Section 1. Section 15-16-101, MCA, is amended to read:

12 "15-16-101. Treasurer to publish notice -- manner of
13 publication. (1) Within 10 days after the receipt of the
14 assessment book, the county treasurer must publish a notice
15 specifying:

16 (a) that one-half of all taxes levied and assessed
17 will be due and payable before 5 p.m. on November 30 next
18 thereafter and that unless paid prior thereto the amount
19 then due will be delinquent and will draw interest from and
20 after such delinquency until paid at the rate of ~~2 1/3 -- of -- 1%~~
21 ~~per-month-from-and-after-such-delinquency 3% per annum above~~
22 ~~the discount rate, including any surcharges thereon, charged~~
23 ~~and in effect as of the date of the delinquency in the ninth~~
24 ~~federal reserve district~~ and 2% will be added to the amount
25 thereof of the delinquency as a penalty;

1 (b) that one-half of all taxes levied and assessed
2 will be due and payable on or before 5 p.m. on May 31 next
3 thereafter and that unless paid prior to said date said
4 taxes will be delinquent and will draw interest from and
5 after such delinquency until paid at the rate of ~~2 1/3 -- of -- 1%~~
6 ~~per-month-from-and-after-such-delinquency 3% per annum above~~
7 ~~the discount rate, including any surcharges thereon, charged~~
8 ~~and in effect as of the date of the delinquency in the ninth~~
9 ~~federal reserve district~~ and 2% will be added to the amount
10 thereof of the delinquency as a penalty; and

11 (c) the time and place at which payment of taxes may
12 be made.

13 (2) He must send to the last-known address of each
14 taxpayer written notice, postage prepaid, showing the amount
15 of taxes due the current year and the amount due and
16 delinquent for other years. The written notice shall
17 include:

- 18 (a) the taxable value of the property;
- 19 (b) the total mill levy applied to that taxable value;
- 20 (c) the value of each mill in that county;
- 21 (d) the number of the school district in which the
22 property is located; and
- 23 (e) the amount of the total tax due that is levied as
24 city tax, county tax, state tax, school district tax, and
25 other tax.

1 (3) The notice in every case must be published for 2
2 weeks in some weekly or daily newspaper published in the
3 county, if there is one, or if there is not, then by posting
4 it in three public places. The failure to publish or post
5 notices does not relieve the taxpayer from any of his
6 liabilities. Any failure to give notice of the tax due for
7 the current year or of delinquent tax will not affect the
8 legality of the tax."

9 Section 2. Section 15-16-102, MCA, is amended to read:
10 "15-16-102. Time for payment -- penalty for
11 delinquency. All taxes levied and assessed in the state of
12 Montana, except on municipal special improvement district
13 bonds sold on or before July 1, 1979, shall be payable as
14 follows:

15 (1) One-half of the amount of such taxes shall be
16 payable on or before 5 p.m. on November 30 of each year and
17 one-half on or before 5 p.m. on May 31 of each year.

18 (2) Unless one-half of such taxes are paid on or
19 before 5 p.m. on November 30 of each year, then such amount
20 so payable shall become delinquent and shall draw interest
21 from and after such delinquency until paid at the rate of
22 2/3 of 1% per month from and after such delinquency until
23 paid, 3% per annum above the discount rate, including any
24 surcharges thereon, charged and in effect as of the date of
25 the delinquency in the ninth federal reserve district and 2%

1 shall be added to the amount thereof of the delinquency as a
2 penalty.

3 (3) All taxes due and not paid on or before 5 p.m. on
4 May 31 of each year shall be delinquent and shall draw
5 interest from and after such delinquency until paid at the
6 rate of 2/3 of 1% per month from and after such delinquency
7 until paid, 3% per annum above the discount rate, including
8 any surcharges thereon, charged and in effect as of the date
9 of the delinquency in the ninth federal reserve district and
10 2% shall be added to the amount thereof of the delinquency
11 as a penalty."

12 Section 3. Section 15-17-303, MCA, is amended to read:

13 "15-17-303. Assignment of rights of county. (1) At any
14 time after any parcel of land has been bid upon by the
15 county as the purchaser thereof for taxes as provided in
16 15-17-207, the same not having been redeemed, the county
17 treasurer shall assign all the right of the county therein
18 acquired at such sale to any person who pays the amount for
19 which the same was bid, with interest upon the original tax
20 at the rate of 2/3 of 1% per month 3% per annum above the
21 discount rate, including any surcharges thereon, charged and
22 in effect as of the date of the delinquency in the ninth
23 federal reserve district and the amount of all subsequent
24 delinquent taxes, penalties, costs, and interest as provided
25 by law upon the same from time to time when such tax became

1 delinquent. The county treasurer shall execute to such
2 person a certificate for such parcel, which may be
3 substantially in the following form:

4 "I,, the treasurer of the county of, state of
5 Montana, do hereby certify that at the sale of lands
6 pursuant to the tax assessment for the year 19.. in the
7 county of and which sale was held on the day of
8, 19.., for the purpose of liquidating assessment, the
9 following described parcel of land, situate in the county of
10, state of Montana, to wit: (insert description) was
11 duly offered for sale; that there was no purchaser in good
12 faith for the same as provided by law and no person or
13 purchaser offered to take the same and pay the taxes, costs,
14 and charges due as aforesaid. Accordingly, the whole amount
15 of the property assessed and described as above was struck
16 off to the county of as purchaser thereof for the sum
17 of, and the same still remaining unredeemed, and on
18 this day having paid into the treasury of such county
19 the amount for which the same was bid, together with all
20 subsequent delinquent taxes, penalties, costs, and interest
21 amounting in all to dollars.

22 Now, therefore, in consideration thereof and pursuant
23 to the statute in such case made and provided, I do hereby
24 assign and set over all the right, title, and interest of
25 the county of, state of Montana, acquired in such lands

1 under and by virtue of the sale to, his heirs and
2 assigns forever, together with all the rights, powers, and
3 privileges of the county of to take steps to receive a
4 deed thereof or receive payment in case of a redemption;
5 subject, however, to redemption as provided by law.

6 Witness my hand and official seal of office this
7 day of, 19...

8 (County Treasurer)"

9 (2) If the certificate described in subsection (1)
10 becomes lost by accident or destroyed by the assignee, the
11 county treasurer shall issue a duplicate certificate to the
12 assignee after the county treasurer is convinced that the
13 certificate has been lost or destroyed and after the
14 assignee has made an affidavit to that effect.

15 (3) The provisions of this section apply to any sale
16 of land for which a treasurer's deed was not issued by March
17 5, 1917, and the holder of any certificate described in
18 subsection (1) has the same rights, powers, and privileges
19 with regard to securing a deed as any purchaser of land at
20 tax sale may now have.

21 (4) As to any land received by the county in exchange,
22 the same may be sold or leased the same as might have been
23 done with the lands exchanged."

24 NEW SECTION. Section 4. Department to notify
25 treasurers of interest rate. (1) The department of revenue

LC 0935/01

1 shall notify in writing all county treasurers of the
2 delinquent interest rate provided for in 15-16-102.

3 (2) The notice provided for in subsection (1) shall be
4 provided on or before June 5 for the May collections and
5 December 5 for the November collections.

-End-

STATE OF MONTANA

REQUEST NO. 231-81

FISCAL NOTE

Form BD 15

In compliance with a written request received January 27, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 280 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.

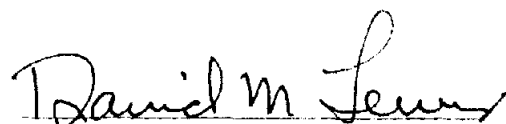
DESCRIPTION

An act to increase the rate of interest charged on delinquent property taxes to 3 percent per annum above the discount rate in effect at the date of delinquency in the Ninth Federal Reserve District.

FISCAL IMPACT

The proposal is not designed to explicitly generate revenue. Its intent is to encourage the prompt payment of property taxes. Any revenue impact therefore will depend on how effective the proposal would be in discouraging delinquencies.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-31-80
