

**HOUSE BILL NO. 15**  
**(First Special Session)**  
**INTRODUCED BY FABREGA**

**IN THE HOUSE**

**November 20, 1981**

Introduced and referred to  
Committee on Taxation.

Committee recommend bill do  
pass as amended. Report  
adopted.

**November 21, 1981**

Second reading, do pass.  
Ayes, 97; Noes, 0.

Correctly engrossed.

On motion rules suspended and  
bill placed on third reading  
this day.

Third reading, passed.  
Ayes, 98; Noes, 0. Transmitted  
to Senate.

**IN THE SENATE**

**November 21, 1981**

Introduced and referred to  
Committee on Taxation.

**November 23, 1981**

Committee recommend bill be  
concurrent in. Report adopted.

On motion rules suspended. Bill  
referred to second reading for  
consideration this day.

Second reading, concurred in  
as amended.

November 23, 1981

On motion rules suspended. Bill placed on calendar for third reading this day.

Third reading, concurred in as amended. Ayes, 48; Noes, 0.

#### IN THE HOUSE

November 23, 1981

Returned from Senate with amendments. Concurred in as amended.

On motion rules suspended. Bill placed on second reading this day.

Second reading, amendments not concurred in. Ayes, 91; Noes, 4.

On motion Conference Committee requested and appointed.

November 24, 1981

Conference Committee reported.

On motion rules suspended and bill placed on second reading this day.

Second reading, report adopted. Ayes, 86; Noes, 13.

On motion rules suspended and bill placed on third reading this day.

Third reading, amendments concurred in. Ayes, 85; Noes, 15. Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 15 *CS*  
 2 INTRODUCED BY Falvey

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE  
 5 INTEREST FOR DELINQUENT PROPERTY TAX PAYMENT FROM 5/6 OF 1  
 6 PERCENT PER MONTH FOR THE FIRST \$3,000 PER TAXPAYER OF EACH  
 7 YEAR'S DELINQUENT TAXES AND 1 PERCENT PER MONTH FOR EACH  
 8 YEAR'S DELINQUENT TAXES IN EXCESS OF \$3,000 PER TAXPAYER TO  
 9 12 PERCENT PER YEAR COMPOUNDED ANNUALLY FOR ALL DELINQUENT  
 10 PROPERTY TAXES UNTIL SUCH TAXES ARE PAID; ELIMINATING THE  
 11 PENALTY FOR DELINQUENCY; AMENDING SECTIONS 15-16-101 THROUGH  
 12 15-16-103, 15-16-601, 15-16-701, 15-17-101, 15-17-208,  
 13 15-17-303, 15-17-304, 15-17-312, 15-18-108, 15-18-202,  
 14 15-18-204, 15-18-401, AND 15-19-403, MCA; AND PROVIDING AN  
 15 EFFECTIVE DATE AND AN APPLICABILITY DATE."

16  
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 Section 1. Section 15-16-101, MCA, is amended to read:  
 19 "15-16-101. Treasurer to publish notice -- manner of  
 20 publication. (1) Within 10 days after the receipt of the  
 21 assessment book, the county treasurer must publish a notice  
 22 specifying:  
 23 (a) that one-half of all taxes levied and assessed  
 24 will be due and payable before 5 p.m. on November 30 next  
 25 thereafter and that unless paid prior thereto the amount

1 then due will be delinquent and\*  
 2 (i) will draw interest at the rate of\*  
 3 (A) ~~5/6 of 1% per month from and after such~~  
 4 ~~delinquency on the first \$3,000 per taxpayer of each year's~~  
 5 ~~tax delinquency; and~~  
 6 (B) 1% 12% per month year compounded annually from and  
 7 after such delinquency on each year's tax delinquency in  
 8 excess of \$3,000 per taxpayer until paid; and  
 9 (ii) ~~2% will be added to the delinquent taxes as a~~  
 10 ~~penalty;~~  
 11 (b) that one-half of all taxes levied and assessed  
 12 will be due and payable on or before 5 p.m. on May 31 next  
 13 thereafter and that unless paid prior to said date said  
 14 taxes will be delinquent and\*  
 15 (i) will draw interest at the rate of\*  
 16 (A) ~~5/6 of 1% per month from and after such~~  
 17 ~~delinquency on the first \$3,000 per taxpayer of each year's~~  
 18 ~~tax delinquency; and~~  
 19 (B) 1% 12% per month year compounded annually from and  
 20 after such delinquency on each year's tax delinquency in  
 21 excess of \$3,000 per taxpayer until paid; and  
 22 (ii) ~~2% will be added to the delinquent taxes as a~~  
 23 ~~penalty; and~~  
 24 (c) the time and place at which payment of taxes may  
 25 be made.

1 ~~(2)~~ For the purpose of computing interest for periods  
 2 of less than 1 full year, the interest shall be computed at  
 3 the rate of 1% per month, or portion thereof.

4 ~~(2)(3)~~ He must send to the last-known address of each  
 5 taxpayer written notice, postage prepaid, showing the amount  
 6 of taxes and assessments due the current year and the amount  
 7 due and delinquent for other years. The written notice shall  
 8 include:

9 (a) the taxable value of the property;

10 (b) the total mill levy applied to that taxable value;

11 (c) the value of each mill in that county;

12 (d) itemized city services and special improvement  
 13 district assessments collected by the county;

14 (e) the number of the school district in which the  
 15 property is located; and

16 (f) the amount of the total tax due that is levied as  
 17 city tax, county tax, state tax, school district tax, and  
 18 other tax.

19 ~~(3)(4)~~ The municipality shall, upon request of the  
 20 county treasurer, provide the information to be included  
 21 under subsection (2)(d) ready for mailing.

22 ~~(4)(5)~~ The notice in every case must be published for  
 23 2 weeks in some weekly or daily newspaper published in the  
 24 county, if there is one, or if there is not, then by posting  
 25 it in three public places. The failure to publish or post

1 notices does not relieve the taxpayer from any of his  
 2 liabilities. Any failure to give notice of the tax due for  
 3 the current year or of delinquent tax will not affect the  
 4 legality of the tax."

5 Section 2. Section 15-16-102, MCA, is amended to read:

6 ~~"15-16-102. Time for payment -- penalty for interest~~  
 7 ~~on delinquency. All taxes levied and assessed in the state~~  
 8 ~~of Montana, except assessments made for special improvements~~  
 9 ~~in cities and towns payable under 15-16-103, shall be~~  
 10 ~~payable as follows:~~

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

14 (2) Unless one-half of such taxes are paid on or  
 15 before 5 p.m. on November 30 of each year, then such amount  
 16 so payable shall become delinquent and\*

17 ~~(a)~~ shall draw interest at the rate of\*

18 ~~((i)) 5% of 1% per month from and after each~~  
 19 ~~delinquency on the first \$3,000 per taxpayer of each year's~~  
 20 ~~tax delinquency until paid and~~

21 ~~((ii)) 1% 12% per month year compounded annually from~~  
 22 ~~and after such delinquency until paid on each year's tax~~  
 23 ~~delinquency in excess of \$3,000 per taxpayer and~~

24 ~~((b)) 2% shall be added to the delinquent taxes as a~~  
 25 ~~penalty.~~

(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year shall be delinquent and

~~(a) shall draw interest at the rate of~~

~~(i) 5/6 of 1% per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency until paid and~~

~~(ii) 1 1/2% per month year compounded annually from and after such delinquency until paid on each year's tax delinquency in excess of \$3,000 per taxpayer and~~

~~(b) 2% shall be added to the delinquent taxes as a penalty.~~

(4) For the purpose of computing interest for periods of less than 1 full year, the interest shall be computed at the rate of 1% per month, or portion thereof.

Section 3. Section 15-16-103, MCA, is amended to read:

"15-16-103. Special improvement districts with annual interest payments -- collection of special assessments for all special improvements. (1) Special assessments or installments of special assessments made for special improvements in towns and cities, the bonds for which annual interest payments have been specified and that were issued after July 1, 1981, and that have been duly and regularly made and levied by resolution according to law, shall be payable as follows:

(a) One-half of such taxes shall be payable on or

before 5 p.m. on November 30 of each year, and in the event the same are not paid on or before said date, the same shall be subject to the same interest and penalty for nonpayment as delinquent property taxes under 15-16-102.

(b) One-half of such taxes shall be payable on or before 5 p.m. on May 31 of each year, and in the event the same are not paid on or before said date, the same shall be subject to the same interest and penalty for nonpayment as delinquent property taxes under 15-16-102.

(2) The collection of special assessments or installments of special assessments made for special improvements in towns and cities shall be had and made as provided by 7-12-4181 as the same is now in force or may be hereafter amended."

Section 4. Section 15-17-303, MCA, is amended to read:

"15-17-303. Assignment of rights of county. (1) At any time after any parcel of land has been bid upon by the county as the purchaser thereof for taxes as provided in 15-17-207, the same not having been redeemed, the county treasurer shall assign all the right of the county therein acquired at such sale to any person who pays the amount for which the same was bid, with interest upon the original tax at the rate of ~~5/6 of 1% 1 1/2%~~ per month on the first \$3,000 per taxpayer of each year's delinquent taxes and ~~1% per month on each year's delinquent taxes in excess of \$3,000~~

1 ~~per-taxpayer year compounded annually~~ and the amount of all  
 2 subsequent delinquent taxes, ~~penalties,~~ costs, and interest  
 3 as provided by law upon the same from time to time when such  
 4 tax became delinquent. ~~For the purpose of computing interest~~  
 5 ~~for periods of less than 1 full year, the interest shall be~~  
 6 ~~computed at the rate of 1% per month, or portion thereof.~~  
 7 The county treasurer shall execute to such person a  
 8 certificate for such parcel, which may be substantially in  
 9 the following form:

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

1 subsequent delinquent taxes, ~~penalties,~~ costs, and interest  
 2 amounting in all to .... dollars.

3 Now, therefore, in consideration thereof and pursuant  
 4 to the statute in such case made and provided, I do hereby  
 5 assign and set over all the right, title, and interest of  
 6 the county of ....., state of Montana, acquired in such lands  
 7 under and by virtue of the sale to ....., his heirs and  
 8 assigns forever, together with all the rights, powers, and  
 9 privileges of the county of .... to take steps to receive a  
 10 deed thereof or receive payment in case of a redemption;  
 11 subject, however, to redemption as provided by law.

12 Witness my hand and official seal of office this ....  
 13 day of ....., 19...

14 ..... (County Treasurer)"

15 (2) If the certificate described in subsection (1)  
 16 becomes lost by accident or destroyed by the assignee, the  
 17 county treasurer shall issue a duplicate certificate to the  
 18 assignee after the county treasurer is convinced that the  
 19 certificate has been lost or destroyed and after the  
 20 assignee has made an affidavit to that effect.

21 (3) The provisions of this section apply to any sale  
 22 of land for which a treasurer's deed was not issued by March  
 23 5, 1917, and the holder of any certificate described in  
 24 subsection (1) has the same rights, powers, and privileges  
 25 with regard to securing a deed as any purchaser of land at

1 tax sale may now have.

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

5 Section 5. Section 15-16-601, MCA, is amended to read:

6 "15-16-601. Taxes ~~or penalties~~ illegally collected to  
7 be refunded. (1) (a) Any taxes, ~~per--centum interest,~~ and  
8 costs paid more than once or erroneously or illegally  
9 collected or any amount of tax paid for which a taxpayer is  
10 entitled to a refund under 15-16-612 or any part or portion  
11 of taxes paid which were mistakenly computed on government  
12 bonus or subsidy received by the taxpayer may, by order of  
13 the board of county commissioners, be refunded by the county  
14 treasurer. Whenever any payment shall have been made to the  
15 state treasurer as provided in 15-1-504 and it shall  
16 afterwards appear to the satisfaction of the board of county  
17 commissioners that a portion of the money so paid should be  
18 refunded as herein provided, said board of county  
19 commissioners may refund such portion of said taxes,  
20 ~~penalties interest,~~ and costs so paid to the state  
21 treasurer, and upon the rendering of the report required by  
22 15-1-505 the county clerk and recorder shall certify to the  
23 state auditor, in such form as the state auditor may  
24 prescribe, all amounts so refunded, and in the next  
25 settlement of the county treasurer with the state, the state

1 auditor shall give the county treasurer credit for the  
2 state's portion of the amounts so refunded.

3 (b) When any part of the taxes, ~~penalties interest,~~ or  
4 costs hereinbefore referred to were levied in behalf of any  
5 school district or municipal or other public corporation and  
6 collected by the county treasurer, the same may be refunded  
7 upon the order of the board of county commissioners.

8 (c) No order for the refund of any taxes, license  
9 fees, ~~per-centum interest,~~ or costs under this section shall  
10 be made except upon a claim therefor, verified by the person  
11 who has paid such tax, license fee, ~~penalty interest,~~ or  
12 costs or his guardian or, in case of his death, by his  
13 executor or administrator, which claim must be filed within  
14 10 years after the date when the second half of such taxes  
15 would have become delinquent if the same had not been paid.

16 (d) All refunds ordered to be paid by the board of  
17 county commissioners shall be paid by the county treasurer  
18 out of the general fund of the county, and the county  
19 treasurer shall then make such transfers from other county  
20 funds and from state, school district, and other public  
21 corporation funds in his possession as may be necessary to  
22 reimburse the county general fund for payments made  
23 therefrom on account of such other funds.

24 (2) Upon the entering of judgment under 15-2-306, the  
25 county commissioners of the affected county shall order a

1 refund of such portion of the taxes, ~~interest, costs,~~ or  
 2 license fees as the state tax appeal board has judged should  
 3 be refunded."

4 Section 6. Section 15-16-701, MCA, is amended to read:

5 "15-16-701. Personal property taxes ten years  
 6 delinquent -- list. (1) It shall be the duty of each county  
 7 treasurer to prepare in triplicate and submit to the board  
 8 of county commissioners of his county, on or before the  
 9 first Monday of June in each year, a list of personal  
 10 property taxes which are not a lien on real estate and which  
 11 have been delinquent for 10 years or more. Said list shall  
 12 show the following:

- 13 (a) name and address of the delinquent taxpayer;  
 14 (b) amount of the delinquent tax, ~~plus penalty, if~~  
 15 ~~any;~~  
 16 (c) the year the tax became delinquent.

17 (2) Every county treasurer shall, within the same  
 18 time, prepare in triplicate and submit to the board of  
 19 county commissioners of his county a list of all contractual  
 20 obligations owed to or held by his county for seed grain,  
 21 feed, or other relief, the collection of which is barred by  
 22 the statute of limitations, 27-2-202(1). Said list shall  
 23 show the following:

- 24 (a) name and address of the person or persons who  
 25 entered into the contractual obligation;

1 (b) the name of the contractual obligation, as "seed  
 2 loan", "feed loan", "promissory note", as the case may be;  
 3 (c) the date of obligation, date when last payment  
 4 became due, date of last payment thereon, and the date when  
 5 the collection of the obligation became barred by said  
 6 statute of limitations."

7 Section 7. Section 15-17-101, MCA, is amended to read:

8 "15-17-101. Publication of notice of tax sales. (1) On  
 9 or before the last Monday of June of each year, the county  
 10 treasurer must publish in the manner and for the time  
 11 prescribed in this section a notice specifying:

- 12 (a) that at a given time and place (to be designated  
 13 in the notice), all property in the county upon which  
 14 delinquent taxes are a lien will be sold at public auction  
 15 unless prior to said time said delinquent taxes, together  
 16 with all interest, ~~penalties,~~ and costs due thereon, are  
 17 paid;

18 (b) a complete delinquent list of all persons and  
 19 property in the county now owing taxes, including all city  
 20 and town property as to which taxes or taxes and assessments  
 21 are delinquent, is on file in the office of the county  
 22 treasurer and is subject to public inspection and  
 23 examination.

24 (2) The publication must be made once a week for 3  
 25 successive weeks in such newspaper published in the county



1 as the board of county commissioners directs; if there is no  
2 newspaper published in the county, then by posting a copy of  
3 the list in three public places.

4 (3) The publication must designate the time and place  
5 of sale.

6 (4) The time of sale must not be less than 21 or more  
7 than 28 days from the first publication, and the place must  
8 be in front of the county treasurer's office."

9 Section 8. Section 15-17-208, MCA, is amended to read:

10 "15-17-208. Assignment of county's interest. The  
11 interest of the county in any property purchased at a tax  
12 sale shall be assigned by the county treasurer as provided  
13 by 15-17-303 upon the payment of the taxes, ~~penalties~~  
14 costs, and interest specified in said section."

15 Section 9. Section 15-17-302, MCA, is amended to read:

16 "15-17-302. Disposition of money from sale or lease of  
17 tax deed lands. All moneys received from the sale or lease  
18 of tax deed lands or of any lands received in exchange shall  
19 be paid into the county treasury and shall be credited to  
20 each fund as the same would have been credited had the  
21 moneys so received been paid as taxes upon said land  
22 acquired by the county by tax deed or upon the lands  
23 exchanged, and any surplus after paying all taxes with  
24 interest ~~and penalties~~ shall belong to the county."

25 Section 10. Section 15-17-304, MCA, is amended to

1 read:

2 "15-17-304. Assessment of county tax deed lands. In  
3 case a tax sale certificate on property assessed for taxes  
4 is purchased by the county or otherwise, under part 2, it  
5 must be assessed for taxes the next year in the same manner  
6 as if it had not been so purchased. If the taxes resulting  
7 from such assessment are not paid when such taxes become  
8 due, said property shall again be sold, in manner as above  
9 described; and said assessment of such property and the sale  
10 of same, when the said taxes have not been paid upon coming  
11 due or the property redeemed, shall be continued until the  
12 time when such property shall have been redeemed from such  
13 sales. No tax deed shall issue to any purchaser other than  
14 the county under said sales until the applicant for such tax  
15 deed shall have paid and discharged all taxes, ~~penalty~~ and  
16 interest accumulated at the time of such application.  
17 Purchasers of certificates of tax sale for years subsequent  
18 to the oldest outstanding tax sales certificate shall have  
19 the same privilege of redemption of such oldest outstanding  
20 tax sales certificate as is the privilege of the original  
21 owner of the property. Nothing herein contained shall be  
22 construed to apply to holders of tax certificates, other  
23 than counties, as of February 25, 1937."

24 Section 11. Section 15-17-312, MCA, is amended to  
25 read:

1       \*15-17-312. Voided sale -- refund to purchaser. (1)  
 2       Where a sale of land for delinquent taxes thereon is  
 3       declared void by judgment of court for irregularity in the  
 4       assessment, levy, or sale, the money paid by the purchaser  
 5       at the sale or by any assignee of the state, county, city,  
 6       town, or district upon taking the assignment shall, with  
 7       interest at the rate of 8% per annum from the date of such  
 8       payment, be refunded to the purchaser or owner of such tax  
 9       certificate upon the order of the chairman of the board of  
 10      county commissioners of the county in which such land lies.

11      (2) The county shall then have a lien upon said  
 12      property for the legal taxes on said property for the year  
 13      in which it was sold, together with the ~~penalty--and~~  
 14      interest; and so much of such money as has been paid to the  
 15      state, city, town, or district by the treasurer of such  
 16      county shall be charged to the state, city, town, or  
 17      district by such treasurer and deducted from the next money  
 18      due the state, city, town, or district, respectively, on  
 19      account of taxes paid or collected. Purchasers of such  
 20      certificate or owners thereof by assignment where sales have  
 21      been made by cities or towns which by resolution or  
 22      ordinance collect their own taxes instead of having the same  
 23      collected by the county treasurer shall be reimbursed in  
 24      similar manner and in similar circumstances out of the city  
 25      or town treasury upon order of the mayor, with proper

1      charges and deductions against the respective funds of the  
 2      said city or town, upon the next collection of taxes by said  
 3      city or town.

4      (3) If such purchaser or owner of such certificate  
 5      after such purchase or assignment from the state, county,  
 6      city, town, or district has paid the taxes, ~~penalty~~ and  
 7      interest upon such piece or parcel of land, he or his  
 8      assignee thereof shall have a lien upon such piece or parcel  
 9      for the amount of taxes, ~~penalty~~ and interest so paid, with  
 10     interest as now provided by law to be collected upon  
 11     delinquent taxes, which lien shall have the same priority as  
 12     is now provided by law; and if he is in possession of such  
 13     piece or parcel of land, he shall not be ejected therefrom  
 14     until such amount and interest ~~and penalty~~ shall be paid."

15      Section 12. Section 15-18-108, MCA, is amended to  
 16      read:

17      \*15-18-108. Distribution of redemption proceeds.  
 18      Whenever property sold to the county pursuant to the  
 19      provisions of chapter 17 is redeemed as herein provided, the  
 20      moneys received on account of such redemption must be  
 21      distributed as follows: The original tax ~~and the penalty~~ and  
 22      interest thereon paid in redemption must be apportioned and  
 23      prorated to the credit of all the various funds, including  
 24      state, county, school, school district, city, or town, in  
 25      the ratio of their respective shares of the original tax.

1 The county treasurer must keep an accurate account of all  
 2 money paid in redemption of property sold to the county and  
 3 must, on the first Monday of June in each year, make a  
 4 detailed report, verified by his affidavit, of each account,  
 5 year for year, to the state auditor in such form as the  
 6 state auditor may desire. Whenever the county receives from  
 7 the county treasurer any grant of property so sold for  
 8 taxes, the same shall be recorded by the county clerk and  
 9 recorder free of charge, at the request of the county  
 10 treasurer and shall be immediately reported by the county  
 11 treasurer to the board of county commissioners."

12 Section 13. Section 15-18-202, MCA, is amended to  
 13 read:

14 \*15-18-202. Notice of application for tax deed. (1)  
 15 The purchaser of property sold for delinquent taxes or his  
 16 assignee must, at least 60 days previous to the expiration  
 17 of the time for redemption or at least 60 days before he  
 18 applies for a deed, serve upon the owner of the property  
 19 purchased, if known, and upon the person occupying the  
 20 property, if the said property is occupied, and if the  
 21 records in the office of the county clerk and recorder show  
 22 an unreleased mortgage or mortgages upon the property  
 23 purchased, upon the mortgagee or mortgagees named in said  
 24 mortgage or mortgages or, if assigned, upon the assignee or  
 25 assignees of said mortgage or mortgages, a written notice

1 stating that said property or a portion thereof has been  
 2 sold for delinquent taxes, giving the date of sale, the  
 3 amount of property sold, the amount for which it was sold,  
 4 the amount due, and the time when the right of redemption  
 5 will expire or when the purchaser will apply for a tax deed.  
 6 The owner of the property or the mortgagee or the assignee  
 7 of said mortgagee has the right of redemption indefinitely,  
 8 until such notice has been given and the deed applied for,  
 9 upon the payment of fees, percentages, penalties interest,  
 10 and costs required by law.

11 (2) Notice of any owner, mortgagee, or assignee of  
 12 mortgagee shall be given by registered or certified letter  
 13 addressed to such mortgagee or assignee at the post-office  
 14 address of said owner, mortgagee, or assignee as disclosed  
 15 by the mortgage records in the office of the county clerk  
 16 and recorder. In case of unoccupied property or a mining  
 17 claim, such notice must be by registered or certified mail  
 18 deposited in the post office, addressed to any known owner  
 19 residing in or outside of said county, with the postage  
 20 thereon prepaid, at least 60 days before the expiration of  
 21 the time for redemption or at least 60 days before the  
 22 purchaser applies for such tax deed, in addition to notice  
 23 to the mortgagee or assignee of mortgagee in the manner and  
 24 as hereby is provided.

25 (3) In all cases where the post-office address of the

1 owner, mortgagee, or assignee is unknown, the applicant  
2 shall publish once a week for 2 successive weeks in a  
3 newspaper published in the county where the property is  
4 situated a notice substantially in the following form:

5 Notice of Application for Tax Deed

6 Notice is hereby given that the undersigned will on the  
7 \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, apply to the county treasurer  
8 of \_\_\_\_\_ county for a tax deed to the following described  
9 property, to wit:

10 (Describe property)

11 Amount due \$.....

12 Date .....

13 .....(Applicant)

14 (4) The first publication of such notice must be made  
15 at least 60 days before the date of redemption or  
16 application for said deed.

17 (5) In all cases due proof of service of notice in  
18 whatever manner given, supported by the affidavit required  
19 by law, must be filed immediately with the clerk and  
20 recorder of the county in which the property is situated and  
21 be kept as a permanent file in his office, and such proof of  
22 notice when so filed shall be prima facie evidence of the  
23 sufficiency of the notice."

24 Section 14. Section 15-18-204, MCA, is amended to  
25 read:

1 "15-18-204. Affidavit of notice. No deed of the  
2 property sold at a delinquent tax sale shall be issued by  
3 the county treasurer to the purchaser of the property until  
4 the proof of service of notice of application for tax deed  
5 has been filed with the county clerk and recorder as  
6 required by 15-18-202. Such purchaser is entitled to receive  
7 the sum of \$3 for the service of said notice and the making  
8 of said affidavit required by 15-18-202, which sum of \$3  
9 must be paid by the redemptioner at the same time and in the  
10 same manner as other costs, percentages, penalties, interest,  
11 and fees are paid."

12 Section 15. Section 15-18-401, MCA, is amended to  
13 read:

14 "15-18-401. Action to quiet title to tax deed property  
15 -- notice. (1) In any action brought to set aside or annul  
16 any tax deed or to quiet title or to determine the rights of  
17 a purchaser, including the county, or his successors to real  
18 property claimed to have been acquired by reason of tax  
19 proceedings or a tax sale, the purchaser or his successor,  
20 upon filing an affidavit, may obtain from the court an order  
21 directed to the person claiming to own the property or to  
22 have any interest in or lien upon said property or a right  
23 to redeem the same or claiming rights hostile to the tax  
24 title (which person is herein, for convenience, called the  
25 true owner), commanding him to:

1 (a) deposit in court to the use of the tax purchaser  
2 or his successors:

3 (i) the amount of all taxes ~~and interest--and~~  
4 ~~penalties~~ which would have accrued if said property had been  
5 regularly and legally assessed and taxed as the property of  
6 said true owner and sold for delinquent taxes and was about  
7 to be redeemed by him; and

8 (ii) the amount of all sums reasonably paid thereafter  
9 by said purchaser or his successors after 3 years from the  
10 date of said tax sale in preserving said property or in  
11 making improvements thereon while in possession thereof, as  
12 the total amount of said taxes, interest, ~~penalties~~, and  
13 improvements is alleged by the plaintiff and as shall appear  
14 in said order; or

15 (b) show cause on a date to be fixed in said order,  
16 not exceeding 30 days from the date thereof, why such  
17 payments should not be made.

18 (2) Said affidavit shall set forth the place of  
19 residence of said true owners and whether they are in the  
20 state of Montana, if known to the plaintiff, or that the  
21 same is not known to the plaintiff.

22 (3) Said order shall be filed with the clerk and  
23 recorder and a copy served personally upon all persons shown  
24 in said affidavit to be residents of and in the state of  
25 Montana, and jurisdiction shall be acquired over all other

1 persons by publishing the same once in a newspaper in the  
2 county and by posting the same in three public places in the  
3 county at least 10 days before the day fixed for the hearing  
4 and by leaving a copy with the county treasurer."

5 Section 16. Section 15-18-403, MCA, is amended to  
6 read:

7 "15-18-403. Title conveyed by deed -- procedure to  
8 cure defects. (1) All deeds executed more than 3 years after  
9 any tax sale shall be deemed to convey to the grantee the  
10 absolute title to the lands described therein as of the date  
11 of the expiration of 3 years following the date of sale,  
12 including all the right, title, interest, estate, lien,  
13 claim, and demand of the state of Montana and of the county  
14 in and to said real estate and including the right, if said  
15 tax deed or tax sale or any of the tax proceedings upon  
16 which said deed may be based shall be attacked and held  
17 irregular or void, to recover the unpaid taxes ~~and~~  
18 ~~interest--and--penalties~~ which would accrue if said tax  
19 proceedings had been regular and it was desired to redeem  
20 said property, free of all encumbrances except the lien for  
21 taxes which may have attached subsequent to the sale and  
22 except when the land is owned by the United States or the  
23 state, in which case it is prima facie evidence of the right  
24 of possession accruing as of the date of the expiration of  
25 such period for redemption.

1 (2) If any tax deed or deed purporting to be such has  
 2 been or shall be issued more than 3 years and 30 days after  
 3 any tax sale or attempted tax sale, the grantee may publish  
 4 in any newspaper in the county published at the county seat  
 5 or, if none, in any other newspaper, once a week for 2 weeks  
 6 a notice entitled "a notice of claim of a tax title" which  
 7 shall set forth a description of any property claimed to  
 8 have been acquired by a tax deed; an estimate of the amount  
 9 due thereon for taxes, ~~and interest, and penalties~~; and a  
 10 statement that for further particulars reference is made to  
 11 the records in the office of the county treasurer; also the  
 12 name of the person claiming to have obtained a tax deed to  
 13 said property and the name of the person in whose name said  
 14 property was assessed or taxed and a statement that demand  
 15 is made that such person shall, within 30 days after the  
 16 first publication of said notice, pay to said claimant or to  
 17 the county treasurer to his use the amount of the taxes, ~~and~~  
 18 ~~interest, and penalties~~ as the same may appear in the  
 19 records of the county treasurer or bring a suit to quiet his  
 20 title or to set aside said tax deed or deeds. Any mistake in  
 21 the amount or in any name specified in said notice shall not  
 22 invalidate the same.

23 (3) If, within said period of 30 days, said taxes, ~~and~~  
 24 ~~interest, and penalties~~ shall not have been paid or said  
 25 suit brought, all defects in the tax proceedings and any

1 right of redemption shall be deemed waived and thereupon the  
 2 title to said property described in said notice and in the  
 3 tax deed shall be valid and binding, irrespective of any  
 4 irregularities, defects, or omissions or total failures to  
 5 observe any of the provisions of the statutes of Montana  
 6 regarding the assessment, levying of taxes, or sale of  
 7 property for taxes and the giving of notices including  
 8 notices of redemption, whether or not such omissions or  
 9 failures make said proceedings void (other than that the  
 10 taxes were not delinquent or have been paid)."

11 Section 17. Effective date and applicability. This act  
 12 is effective on passage and approval and applies to real and  
 13 personal property taxes that become due on or after November  
 14 30, 1981, or that became due prior to November 30, 1981, and  
 15 remain unpaid on or after November 30, 1981.

-End-

## STATE OF MONTANA

REQUEST NO. 6-SP-81

## FISCAL NOTE

Form BD-15

In compliance with a written request received November 20, 19 81, there is hereby submitted a Fiscal Note for House Bill 15 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 interest for delinquent property tax payments from 5/6 of one percent per month for the first \$3,000 per taxpayer of each year's delinquent taxes and one percent per month for each year's delinquent taxes in excess of \$3,000 per taxpayer to one percent per month for all delinquent property taxes until such taxes are paid; and providing an effective date and an applicability date.

ASSUMPTIONS:

1. There were 855 taxpayers owing over \$3,000 in delinquent property taxes in fiscal year 1981. There were 28,580 taxpayers owing less than \$3,000 in delinquent property taxes in fiscal year 1981. (Source: Department of Revenue, survey completed 11/1/81)
2. Since information was not available on the average delinquent tax owed, it is assumed for those owing less than \$3,000 the average tax was \$750.
3. For those taxpayers with average delinquent property taxes above \$3,000, the maximum additional amount of interest generated by the bill would be \$5.00 per month.

FISCAL IMPACT:

This proposal is not designed to explicitly generate revenue. Its intent is to encourage the prompt payment of property taxes. However, if property tax delinquencies were to continue to occur, the following provides estimates on the additional amount of interest that would be generated.

	<u>Old Law</u>	<u>New Law</u>	<u>Difference</u>
Small taxpayer (average property tax of \$750)	\$6.25/month	\$7.50/month	\$1.25/month
Large taxpayer (average property tax of \$3,000)	25.00/month	30.00/month	5.00/month

Note: All taxpayers with average delinquent property taxes above \$3,000 will pay an additional \$5.00/month.

*David M. Lewis*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 11/21/81

Number of small taxpayers (FY81) 28,580 x \$1.25/month = \$35,725/month  
Number of large taxpayers (FY81) 855 x \$5.00/month = \$ 4,275/month

Total additional interest = \$40,000/month

Since data is not available on the actual length of the tax delinquencies, the following examples are provided:

<u>Length of Delinquency</u>	<u>Additional Interest</u>
one month	\$ 40,000/year
three months	120,000/year
six months	240,000/year
twelve months	480,000/year
twenty-four months	960,000/year
thirty-six months	1,440,000/year



Approved by Committee  
on Taxation

HOUSE BILL NO. 15 (1st SS)

INTRODUCED BY FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE INTEREST FOR DELINQUENT PROPERTY TAX PAYMENT FROM 5/6 OF 1 PERCENT PER MONTH FOR THE FIRST \$3,000 PER TAXPAYER OF EACH YEAR'S DELINQUENT TAXES AND 1 PERCENT PER MONTH FOR EACH YEAR'S DELINQUENT TAXES IN EXCESS OF \$3,000 PER TAXPAYER TO 1 1/2 PERCENT PER YEAR--~~COMPOUNDED ANNUALLY MONTH~~ FOR ALL DELINQUENT PROPERTY TAXES UNTIL SUCH TAXES ARE PAID; ~~ELIMINATING--THE--PENALTY--FOR--DELINQUENCY--AMENDING--SECTIONS 15-16-101--THROUGH--15-16-103,--15-16-601,--15-16-701, 15-17-101,--15-17-200,--15-17-303,--15-17-304,--15-17-312, 15-18-100,--15-18-202,--15-18-204,--15-18-401,--AND--15-18-403~~ MCA AMENDING SECTIONS 15-16-101, 15-16-102, AND 15-17-303. MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

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

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

specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on November 30 next thereafter and that unless paid prior thereto the amount then due will be delinquent and\*

(+) will draw interest at the rate of\*

(\*) ~~5/6~~ of ~~1%~~ per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and

(+) 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer until paid and

(+) 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on May 31 next thereafter and that unless paid prior to said date said taxes will be delinquent and\*

(+) will draw interest at the rate of\*

(\*) ~~5/6~~ of ~~1%~~ per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and

(+) 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer until paid and

SECOND READING

1 ~~+++~~ 2% will be added to the delinquent taxes as a  
2 penalty; and

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

5 (2) He must send to the last-known address of each  
6 taxpayer written notice, postage prepaid, showing the amount  
7 of taxes and assessments due the current year and the amount  
8 due and delinquent for other years. The written notice shall  
9 include:

10 (a) the taxable value of the property;

11 (b) the total mill levy applied to that taxable value;

12 (c) the value of each mill in that county;

13 (d) itemized city services and special improvement  
14 district assessments collected by the county;

15 (e) the number of the school district in which the  
16 property is located; and

17 (f) the amount of the total tax due that is levied as  
18 city tax, county tax, state tax, school district tax, and  
19 other tax.

20 (3) The municipality shall, upon request of the county  
21 treasurer, provide the information to be included under  
22 subsection (2)(d) ready for mailing.

23 (4) The notice in every case must be published for 2  
24 weeks in some weekly or daily newspaper published in the  
25 county, if there is one, or if there is not, then by posting

1 it in three public places. The failure to publish or post  
2 notices does not relieve the taxpayer from any of his  
3 liabilities. Any failure to give notice of the tax due for  
4 the current year or of delinquent tax will not affect the  
5 legality of the tax."

6 Section 2. Section 15-16-102, MCA, is amended to read:

7 "15-16-102. Time for payment -- penalty for  
8 delinquency. All taxes levied and assessed in the state of  
9 Montana, except assessments made for special improvements in  
10 cities and towns payable under 15-16-103, shall be payable  
11 as follows:

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

15 (2) Unless one-half of such taxes are paid on or  
16 before 5 p.m. on November 30 of each year, then such amount  
17 so payable shall become delinquent and

18 ~~(a)~~ shall draw interest at the rate of

19 ~~(i) 5/6 of 1% per month from and after each~~  
20 ~~delinquency on the first \$3,000 per taxpayer of each year's~~  
21 ~~tax delinquency until paid; and~~

22 ~~+++ 1% per month from and after such delinquency until~~  
23 ~~paid on each year's tax delinquency in excess of \$3,000 per~~  
24 ~~taxpayer; and~~

25 ~~(b)~~ 2% shall be added to the delinquent taxes as a

1 penalty.

2 (3) All taxes due and not paid on or before 5 p.m. on  
3 May 31 of each year shall be delinquent and\*

4 ~~(a)~~ shall draw interest at the rate of\*

5 ~~(i) 5/6 of 1% per month from and after such~~  
6 ~~delinquency on the first \$3,000 per taxpayer of each year's~~  
7 ~~tax delinquency until paid and~~

8 ~~(ii) 1% per month from and after such delinquency~~  
9 ~~until paid on each year's tax delinquency in excess of~~  
10 ~~\$3,000 per taxpayer and~~

11 ~~(b) 2% shall be added to the delinquent taxes as a~~  
12 ~~penalty."~~

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

14 "15-17-303. Assignment of rights of county. (1) At any  
15 time after any parcel of land has been bid upon by the  
16 county as the purchaser thereof for taxes as provided in  
17 15-17-207, the same not having been redeemed, the county  
18 treasurer shall assign all the right of the county therein  
19 acquired at such sale to any person who pays the amount for  
20 which the same was bid, with interest upon the original tax  
21 at the rate of ~~5/6 of 1% per month on the first \$3,000 per~~  
22 ~~taxpayer of each year's delinquent taxes and 1% per month on~~  
23 ~~each year's delinquent taxes in excess of \$3,000 per~~  
24 ~~taxpayer and the amount of all subsequent delinquent taxes,~~  
25 ~~penalties, costs, and interest as provided by law upon the~~

1 same from time to time when such tax became delinquent. The  
2 county treasurer shall execute to such person a certificate  
3 for such parcel, which may be substantially in the following  
4 form:

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

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

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

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

9                                       ..... (County Treasurer)"

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

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

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

25       Section 4. Effective date and applicability. This act

1 is effective on passage and approval and applies to real and  
 2 personal property taxes that become due on or after November  
 3 30, 1981, or that became due prior to November 30, 1981, and  
 4 remain unpaid on or after November 30, 1981.

-End-

## HOUSE BILL NO. 15 (1st SS)

INTRODUCED BY FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE INTEREST FOR DELINQUENT PROPERTY TAX PAYMENT FROM 5/6 OF 1 PERCENT PER MONTH FOR THE FIRST \$3,000 PER TAXPAYER OF EACH YEAR'S DELINQUENT TAXES AND 1 PERCENT PER MONTH FOR EACH YEAR'S DELINQUENT TAXES IN EXCESS OF \$3,000 PER TAXPAYER TO ~~1~~ 1 PERCENT PER YEAR ~~COMPOUNDED ANNUALLY MONTH~~ FOR ALL DELINQUENT PROPERTY TAXES UNTIL SUCH TAXES ARE PAID; ~~ELIMINATING THE PENALTY FOR DELINQUENCY; AMENDING SECTIONS 15-16-101 THROUGH 15-16-103, 15-16-601, 15-16-701, 15-17-101, 15-17-200, 15-17-303, 15-17-304, 15-17-312, 15-18-100, 15-18-202, 15-18-204, 15-18-401, AND 15-18-403, MCA AMENDING SECTIONS 15-16-101, 15-16-102, AND 15-17-303, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."~~

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

Section 1. Section 15-16-101, MCA, is amended to read:  
 "15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the receipt of the assessment book, the county treasurer must publish a notice

1 specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on November 30 next thereafter and that unless paid prior thereto the amount then due will be delinquent and:

(i) will draw interest at the rate of:

~~(A) 5/6 of 1% per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and~~

~~(B) 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer until paid and~~

~~(ii) 2% will be added to the delinquent taxes as a penalty;~~

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on May 31 next thereafter and that unless paid prior to said date said taxes will be delinquent and:

(i) will draw interest at the rate of:

~~(A) 5/6 of 1% per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and~~

~~(B) 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer until paid and~~

1       ~~+++~~ 2% will be added to the delinquent taxes as a  
2 penalty; and

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

5       (2) He must send to the last-known address of each  
6 taxpayer written notice, postage prepaid, showing the amount  
7 of taxes and assessments due the current year and the amount  
8 due and delinquent for other years. The written notice shall  
9 include:

10       (a) the taxable value of the property;

11       (b) the total mill levy applied to that taxable value;

12       (c) the value of each mill in that county;

13       (d) itemized city services and special improvement  
14 district assessments collected by the county;

15       (e) the number of the school district in which the  
16 property is located; and

17       (f) the amount of the total tax due that is levied as  
18 city tax, county tax, state tax, school district tax, and  
19 other tax.

20       (3) The municipality shall, upon request of the county  
21 treasurer, provide the information to be included under  
22 subsection (2)(d) ready for mailing.

23       (4) The notice in every case must be published for 2  
24 weeks in some weekly or daily newspaper published in the  
25 county, if there is one, or if there is not, then by posting

1       it in three public places. The failure to publish or post  
2 notices does not relieve the taxpayer from any of his  
3 liabilities. Any failure to give notice of the tax due for  
4 the current year or of delinquent tax will not affect the  
5 legality of the tax."

6       Section 2. Section 15-16-102, MCA, is amended to read:

7       "15-16-102. Time for payment -- penalty for  
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9 Montana, except assessments made for special improvements in  
10 cities and towns payable under 15-16-103, shall be payable  
11 as follows:

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

15       (2) Unless one-half of such taxes are paid on or  
16 before 5 p.m. on November 30 of each year, then such amount  
17 so payable shall become delinquent and\*

18       ~~+++~~ shall draw interest at the rate of\*

19       ~~+++ 5 7/8 of 1% per month from and after each~~  
20 ~~delinquency--on the first \$3,888 per taxpayer of each year's~~  
21 ~~tax delinquency until paid and~~

22       ~~+++ 1% per month from and after such delinquency until~~  
23 ~~paid on each year's tax delinquency in excess of \$3,888--per~~  
24 ~~taxpayer and~~

25       (b) 2% shall be added to the delinquent taxes as \*

1 penalty.

2 (3) All taxes due and not paid on or before 5 p.m. on

3 May 31 of each year shall be delinquent and

4 ~~(a)~~ shall draw interest at the rate of

5 ~~(i) 5/6 of 1% per month from and after such~~

6 ~~delinquency on the first \$3,000 per taxpayer of each year's~~

7 ~~tax delinquency until paid and~~

8 ~~(ii) 1% per month from and after such delinquency~~

9 ~~until paid on each year's tax delinquency in excess of~~

10 ~~\$3,000 per taxpayer and~~

11 ~~(b) 2% shall be added to the delinquent taxes as a~~

12 ~~penalty."~~

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

14 "15-17-303. Assignment of rights of county. (1) At any

15 time after any parcel of land has been bid upon by the

16 county as the purchaser thereof for taxes as provided in

17 15-17-207, the same not having been redeemed, the county

18 treasurer shall assign all the right of the county therein

19 acquired at such sale to any person who pays the amount for

20 which the same was bid, with interest upon the original tax

21 at the rate of ~~5/6 of 1% per month on the first \$3,000 per~~

22 ~~taxpayer of each year's delinquent taxes and 1% per month on~~

23 ~~each year's delinquent taxes in excess of \$3,000 per~~

24 ~~taxpayer and the amount of all subsequent delinquent taxes,~~

25 ~~penalties, costs, and interest as provided by law upon the~~

1 same from time to time when such tax became delinquent. The

2 county treasurer shall execute to such person a certificate

3 for such parcel, which may be substantially in the following

4 form:

5 "I, ..., the treasurer of the county of ..., state of

6 Montana, do hereby certify that at the sale of lands

7 pursuant to the tax assessment for the year 19.. in the

8 county of ... and which sale was held on the ... day of

9 ..., 19.., for the purpose of liquidating assessment, the

10 following described parcel of land, situate in the county of

11 ..., state of Montana, to wit: (insert description) was

12 duly offered for sale; that there was no purchaser in good

13 faith for the same as provided by law and no person or

14 purchaser offered to take the same and pay the taxes, cost,

15 and charges due as aforesaid. Accordingly, the whole amount

16 of the property assessed and described as above was struck

17 off to the county of ... as purchaser thereof for the sum

18 of ..., and the same still remaining unredeemed, and on

19 this day ... having paid into the treasury of such county

20 the amount for which the same was bid, together with all

21 subsequent delinquent taxes, penalties, costs, and interest

22 amounting in all to ... dollars.

23 Now, therefore, in consideration thereof and pursuant

24 to the statute in such case made and provided, I do hereby

25 assign and set over all the right, title, and interest of

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

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

9 ..... (County Treasurer)"

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

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

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

25 Section 4. Effective date and applicability. This act

1 is effective on passage and approval and applies to real and  
 2 personal property taxes that become due on or after November  
 3 30, 1981, or that became due prior to November 30, 1981, and  
 4 remain unpaid on or after November 30, 1981.

-End-



November 23, 1981

SENATE COMMITTEE OF THE WHOLE  
(SPECIAL SESSION I)

That House Bill No. 15, third reading copy, be amended as follows:

1. Title, line 4.  
Following: "TO"  
Strike: "INCREASE"  
Insert: "CHANGE"
2. Title, line 9.  
Following: "12"  
Insert: "5/6 OF"
3. Page 2, line 10.  
Following: "{B}"  
Insert: "5/6 of"
4. Page 2, line 23.  
Following: "{B}"  
Insert: "5/6 of"
5. Page 4, line 22.  
Following: "{++}"  
Insert: "5/6 of"
6. Page 5, line 8.  
Following: "{++}"  
Insert: "5/6 of"
7. Page 5, line 21.  
Following: "5/6-of"  
Insert: "5/6 of"

HOUSE BILL NO. 15 (1st SS)

INTRODUCED BY FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE CHANGE THE INTEREST FOR DELINQUENT PROPERTY TAX PAYMENT FROM 5/6 OF 1 PERCENT PER MONTH FOR THE FIRST \$3,000 PER TAXPAYER OF EACH YEAR'S DELINQUENT TAXES AND 1 PERCENT PER MONTH FOR EACH YEAR'S DELINQUENT TAXES IN EXCESS OF \$3,000 PER TAXPAYER TO ~~12~~ 5/6 OF 1 PERCENT PER YEAR-COMPOUNDED-ANNUALLY MONTH FOR ALL DELINQUENT PROPERTY TAXES UNTIL SUCH TAXES ARE PAID; ~~ELIMINATING--THE--PENALTY--FOR--DELINQUENCY; AMENDING SECTIONS 15-16-101---THROUGH---15-16-103;---15-16-601;---15-16-701; 15-17-101;---15-17-200;---15-17-303;---15-17-304;---15-17-312; 15-18-100;15-18-202;15-18-204;15-18-401;--AND--15-18-403; MCA AMENDING SECTIONS 15-16-101, 15-16-102, AND 15-17-301; MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."~~

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

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

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

specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on November 30 next thereafter and that unless paid prior thereto the amount then due will be delinquent and\*

{+} will draw interest at the rate of\*

~~{A} 5/6 of 1% per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and~~

~~{B} 5/6 OF 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer; until paid and~~

{++} 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on May 31 next thereafter and that unless paid prior to said date said taxes will be delinquent and\*

{+} will draw interest at the rate of\*

~~{A} 5/6 of 1% per month from and after such delinquency on the first \$3,000 per taxpayer of each year's tax delinquency; and~~

~~{B} 5/6 OF 1% per month from and after such delinquency on each year's tax delinquency in excess of \$3,000 per taxpayer; until paid and~~

1        ~~{++}~~ 2% will be added to the delinquent taxes as a  
 2 penalty; and

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

5        (2) He must send to the last-known address of each  
 6 taxpayer written notice, postage prepaid, showing the amount  
 7 of taxes and assessments due the current year and the amount  
 8 due and delinquent for other years. The written notice shall  
 9 include:

10        (a) the taxable value of the property;

11        (b) the total mill levy applied to that taxable value;

12        (c) the value of each mill in that county;

13        (d) itemized city services and special improvement  
 14 district assessments collected by the county;

15        (e) the number of the school district in which the  
 16 property is located; and

17        (f) the amount of the total tax due that is levied as  
 18 city tax, county tax, state tax, school district tax, and  
 19 other tax.

20        (3) The municipality shall, upon request of the county  
 21 treasurer, provide the information to be included under  
 22 subsection (2){d} ready for mailing.

23        (4) The notice in every case must be published for 2  
 24 weeks in some weekly or daily newspaper published in the  
 25 county, if there is one, or if there is not, then by posting

1        it in three public places. The failure to publish or post  
 2 notices does not relieve the taxpayer from any of his  
 3 liabilities. Any failure to give notice of the tax due for  
 4 the current year or of delinquent tax will not affect the  
 5 legality of the tax."

6        Section 2. Section 15-16-102, MCA, is amended to read:

7        "15-16-102. Time for payment -- penalty for  
 8 delinquency. All taxes levied and assessed in the state of  
 9 Montana, except assessments made for special improvements in  
 10 cities and towns payable under 15-16-103, shall be payable  
 11 as follows:

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

15        (2) Unless one-half of such taxes are paid on or  
 16 before 5 p.m. on November 30 of each year, then such amount  
 17 so payable shall become delinquent and:

18        (a) shall draw interest at the rate of:

19        ~~{+}~~ ~~5/6~~ ~~of~~ ~~1%~~ ~~per~~ ~~month~~ ~~from~~ ~~and~~ ~~after~~ ~~each~~  
 20 ~~delinquency--on~~ ~~the~~ ~~first~~ ~~\$3,000~~ ~~per~~ ~~taxpayer~~ ~~of~~ ~~each~~ ~~year's~~  
 21 ~~tax~~ ~~delinquency~~ ~~until~~ ~~paid~~ ~~and~~

22        ~~{++}~~ ~~5/6~~ ~~of~~ ~~1%~~ ~~per~~ ~~month~~ ~~from~~ ~~and~~ ~~after~~ ~~such~~  
 23 ~~delinquency~~ ~~until~~ ~~paid~~ ~~on~~ ~~each~~ ~~year's~~ ~~tax~~ ~~delinquency~~ ~~in~~  
 24 ~~excess~~ ~~of~~ ~~\$3,000~~ ~~per~~ ~~taxpayer~~ ~~and~~

25        (b) 2% shall be added to the delinquent taxes as a

1 penalty.

2 (3) All taxes due and not paid on or before 5 p.m. on  
3 May 31 of each year shall be delinquent and:

4 (a) shall draw interest at the rate of:

5 ~~((i)) 5/6--of--1%--per--month--from--and--after--such~~  
6 ~~delinquency--on--the--first--\$3,000--per--taxpayer--of--each--year's~~  
7 ~~tax--delinquency--until--paid--and~~

8 ~~((i)) 5/6 DE 1% per month from and after such~~  
9 ~~delinquency until paid on--each--year's--tax--delinquency--in~~  
10 ~~excess--of--\$3,000--per--taxpayer; and~~

11 (b) 2% shall be added to the delinquent taxes as a  
12 penalty."

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

14 "15-17-303. Assignment of rights of county. (1) At any  
15 time after any parcel of land has been bid upon by the  
16 county as the purchaser thereof for taxes as provided in  
17 15-17-207, the same not having been redeemed, the county  
18 treasurer shall assign all the right of the county therein  
19 acquired at such sale to any person who pays the amount for  
20 which the same was bid, with interest upon the original tax  
21 at the rate of 5/6--of 5/6 DE 1% per month on--the--first  
22 ~~\$3,000--per--taxpayer--of--each--year's--delinquent--taxes--and--1%~~  
23 ~~per--month--on--each--year's--delinquent--taxes--in--excess--of~~  
24 ~~\$3,000--per--taxpayer~~ and the amount of all subsequent  
25 delinquent taxes, penalties, costs, and interest as provided

1 by law upon the same from time to time when such tax became  
2 delinquent. The county treasurer shall execute to such  
3 person a certificate for such parcel, which may be  
4 substantially in the following form:

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

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

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

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

9 ..... (County Treasurer)"

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

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

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

25 Section 4. Effective date and applicability. This act

1 Is effective on passage and approval and applies to real and  
 2 personal property taxes that become due on or after November  
 3 30, 1981, or that became due prior to November 30, 1981, and  
 4 remain unpaid on or after November 30, 1981.

-End-