

HOUSE BILL NO. 614

Introduced: 02/02/83

Referred to Committee on Taxation: 02/02/83

Hearing: 2/18/83

Died in Committee

1 HOUSE BILL NO. 614
2 INTRODUCED BY Vincent

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE INTEREST
5 FOR DELINQUENT PROPERTY TAX PAYMENT FROM 5/6 OF 1 PERCENT A
6 MONTH TO 1 PERCENT A MONTH FOR ALL DELINQUENT PROPERTY TAXES
7 UNTIL SUCH TAXES ARE PAID; AMENDING SECTIONS 15-16-101,
8 15-16-102, AND 15-17-303, MCA; AND PROVIDING AN IMMEDIATE
9 EFFECTIVE DATE AND APPLICABILITY DATES."

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

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

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

17 (a) that one-half of all taxes levied and assessed
18 will be due and payable before 5 p.m. on November 30 next
19 thereafter and that unless paid prior thereto the amount
20 then due will be delinquent and will draw interest at the
21 rate of 5/6-of 1% per month from and after such delinquency
22 until paid and 2% will be added to the delinquent taxes as a
23 penalty;

24 (b) that one-half of all taxes levied and assessed
25 will be due and payable on or before 5 p.m. on May 31 next

1 thereafter and that unless paid prior to said date said
2 taxes will be delinquent and will draw interest at the rate
3 of 5/6-of 1% per month from and after such delinquency until
4 paid and 2% will be added to the delinquent taxes as a
5 penalty; and

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

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

13 (a) the taxable value of the property;
14 (b) the total mill levy applied to that taxable value;
15 (c) the value of each mill in that county;
16 (d) itemized city services and special improvement
17 district assessments collected by the county;

18 (e) the number of the school district in which the
19 property is located; and

20 (f) the amount of the total tax due that is levied as
21 city tax, county tax, state tax, school district tax, and
22 other tax.

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

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

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

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

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

(2) Unless one-half of such taxes are paid on or before 5 p.m. on November 30 of each year, then such amount so payable shall become delinquent and shall draw interest at the rate of ~~5/6-of~~ 1% per month from and after such delinquency until paid and 2% shall be added to the delinquent taxes as a penalty.

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

interest at the rate of ~~5/6-of~~ 1% per month from and after such delinquency until paid and 2% shall be added to the delinquent taxes as a penalty."

Section 3. 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% per month and the amount of all subsequent delinquent taxes, penalties, costs, and interest as provided by law upon the same from time to time when such tax became delinquent. The county treasurer shall execute to such person a certificate for such parcel, which may be substantially in the following form:

"I,, the treasurer of the county of, state of Montana, do hereby certify that at the sale of lands pursuant to the tax assessment for the year 19.. in the county of and which sale was held on the day of, 19.., for the purpose of liquidating assessment, the following described parcel of land, situate in the county of, state of Montana, to wit: (insert description) was duly offered for sale; that there was no purchaser in good

1 faith for the same as provided by law and no person or
 2 purchaser offered to take the same and pay the taxes, cost,
 3 and charges due as aforesaid. Accordingly, the whole amount
 4 of the property assessed and described as above was struck
 5 off to the county of as purchaser thereof for the sum
 6 of, and the same still remaining unredeemed, and on
 7 this day having paid into the treasury of such county
 8 the amount for which the same was bid, together with all
 9 subsequent delinquent taxes, penalties, costs, and interest
 10 amounting in all to dollars.

11 Now, therefore, in consideration thereof and pursuant
 12 to the statute in such case made and provided, I do hereby
 13 assign and set over all the right, title, and interest of
 14 the county of, state of Montana, acquired in such lands
 15 under and by virtue of the sale to, his heirs and
 16 assigns forever, together with all the rights, powers, and
 17 privileges of the county of to take steps to receive a
 18 deed thereof or receive payment in case of a redemption;
 19 subject, however, to redemption as provided by law.

20 Witness my hand and official seal of office this
 21 day of, 19...

22 (County Treasurer)*

23 (2) If the certificate described in subsection (1)
 24 becomes lost by accident or destroyed by the assignee, the
 25 county treasurer shall issue a duplicate certificate to the

1 assignee after the county treasurer is convinced that the
 2 certificate has been lost or destroyed and after the
 3 assignee has made an affidavit to that effect.

4 (3) The provisions of this section apply to any sale
 5 of land for which a treasurer's deed was not issued by March
 6 5, 1917, and the holder of any certificate described in
 7 subsection (1) has the same rights, powers, and privileges
 8 with regard to securing a deed as any purchaser of land at
 9 tax sale may now have.

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

13 NEW_SECTION Section 4. Effective date and
 14 applicability dates. This act is effective on passage and
 15 approval and:

16 (1) applies to real and personal property taxes that
 17 become due on or after November 30, 1983, and remain unpaid
 18 on or after November 30, 1983; and

19 (2) applies retroactively, within the meaning of
 20 1-2-109, to real and personal property taxes that became due
 21 prior to November 30, 1983, and remain unpaid on or after
 22 November 30, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 325-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 614 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 OF PROPOSED LEGISLATION:

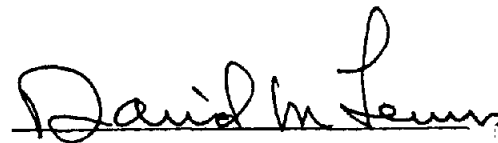
House Bill 614 changes the interest for delinquent property tax payment from 5/6 of 1 percent a month to 1 percent a month for all delinquent property taxes until such taxes are paid; and provides an immediate effective date and applicability dates.

FISCAL IMPACT:

There is no data available to estimate the fiscal impact of the proposal. It is felt that the proposal will hasten the payment process and produce some expenditure savings at the local governments level.

A survey of county treasurers done by the Department of Revenue in 1981 indicates that there were a total of \$12.99 million of delinquent real estate taxes at that time.

FISCAL IMPACT 11:EE/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-9-83