

HOUSE BILL NO. 649

Introduced: 02/04/83

Referred to Committee on Taxation: 02/04/83

Hearing: 2/18/83

2nd Reading: 03/28/83, Do Not Pass

Bill Killed

1 House BILL NO. 649
2 INTRODUCED BY Vincent Van Valkenburg, Bartel
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE PENALTY
5 FOR DELINQUENT PROPERTY TAX PAYMENT FROM 2 PERCENT PER MONTH
6 TO A PENALTY PERCENTAGE BASED ON THE AMOUNT OF UNPAID
7 DELINQUENT PROPERTY TAXES; AMENDING SECTIONS 15-16-101 AND
8 15-16-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
9 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% the appropriate penalty rate provided in~~
23 [section 3] will be added to the delinquent taxes as a
24 penalty;
25 (b) that one-half of all taxes levied and assessed

1 will be due and payable on or before 5 p.m. on May 31 next
2 thereafter and that unless paid prior to said date said
3 taxes will be delinquent and will draw interest at the rate
4 of 5/6 of 1% per month from and after such delinquency until
5 paid and ~~2% the appropriate penalty rate provided in~~
6 [section 3] will be added to the delinquent taxes as a
7 penalty; and
8 (c) the time and place at which payment of taxes may
9 be made.
10 (2) He must send to the last-known address of each
11 taxpayer written notice, postage prepaid, showing the amount
12 of taxes and assessments due the current year and the amount
13 due and delinquent for other years. The written notice shall
14 include:
15 (a) the taxable value of the property;
16 (b) the total mill levy applied to that taxable value;
17 (c) the value of each mill in that county;
18 (d) itemized city services and special improvement
19 district assessments collected by the county;
20 (e) the number of the school district in which the
21 property is located; and
22 (f) the amount of the total tax due that is levied as
23 city tax, county tax, state tax, school district tax, and
24 other tax.
25 (3) The municipality shall, upon request of the county

1 treasurer, provide the information to be included under
2 subsection (2)(d) ready for mailing.

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

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

12 "15-16-102. Time for payment -- penalty for
13 delinquency. All taxes levied and assessed in the state of
14 Montana, except assessments made for special improvements in
15 cities and towns payable under 15-16-103, shall be payable
16 as follows:

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

20 (2) Unless one-half of such taxes are paid on or
21 before 5 p.m. on November 30 of each year, then such amount
22 so payable shall become delinquent and shall draw interest
23 at the rate of 5/6 of 1% per month from and after such
24 delinquency until paid and ~~2% the appropriate penalty rate~~
25 provided in [section 3] shall be added to the delinquent

1 taxes as a 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 shall draw
4 interest at the rate of 5/6 of 1% per month from and after
5 such delinquency until paid and ~~2% the appropriate penalty~~
6 rate provided in [section 3] shall be added to the
7 delinquent taxes as a penalty."

8 NEW SECTION. Section 3. Penalty rate for delinquent
9 property taxes. The county treasurer shall add to delinquent
10 real and personal property taxes a penalty based on the
11 following schedule:

12 Delinquent Tax Due	Penalty Rate
13 First \$1,000	2%
14 More than \$1,000 and	
15 not more than \$10,000	5% of the increment
16 More than \$10,000	10% of the increment

17 NEW SECTION. Section 4. Codification instruction.
18 Section 3 is intended to be codified as an integral part of
19 Title 15, chapter 16.

20 NEW SECTION. Section 5. Effective date --
21 applicability. (1) This act is effective on passage and
22 approval.

23 (2) This act applies:

24 (a) to real and personal property taxes that become
25 due on or after November 30, 1983, and remain unpaid on or

1 after November 30, 1983; and
2 (b) retroactively, within the meaning of 1-2-109, to
3 real and personal property taxes that became due prior to
4 November 30, 1983, and remain unpaid on or after November
5 30, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 330-83

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 649 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:

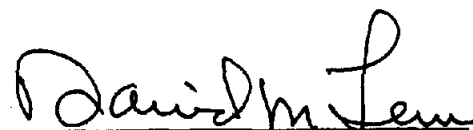
House Bill 649 changes the penalty for delinquent property tax payment from 2 percent per month to a penalty percentage based on the amount of unpaid delinquent property taxes; and provides an immediate effective date and applicability dates.

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 government 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 NOTE 11:BB/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-9-83