

HOUSE BILL NO. 177

INTRODUCED BY REAM, MARKS, HARRINGTON, HALLIGAN

IN THE HOUSE

January 14, 1985	Introduced and referred to Committee on Taxation.
January 16, 1985	Fiscal Note requested.
January 22, 1985	Fiscal Note returned.
January 25, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
January 26, 1985	Second reading, do pass.
January 28, 1985	Considered correctly engrossed.
January 29, 1985	Third reading, passed. Ayes, 97; Noes, 1. Transmitted to Senate.

IN THE SENATE

January 30, 1985	Introduced and referred to Committee on Taxation.
March 20, 1985	Committee recommend bill be concurring in. Report adopted.
March 22, 1985	Second reading, concurred in.
March 25, 1985	Third reading, concurred in. Ayes, 49; Noes, 0. Returned to House.

IN THE HOUSE

March 26, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 177
2 INTRODUCED BY Ream, Mike, Harvath, Kelly

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO MAKE THE INTEREST
5 RATE ON PROPERTY TAXES PAID BY A REDEMPTIONER THE SAME AS
6 THE RATE ON DELINQUENT PROPERTY TAXES GENERALLY; AMENDING
7 SECTION 15-18-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND
8 AN APPLICABILITY DATE."

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

11 Section 1. Section 15-18-102, MCA, is amended to read:

12 "15-18-102. Redemption from tax sales. In all cases
13 where real estate has been sold for delinquent taxes, the
14 purchaser or his assignee at such tax sale may subsequent
15 thereto pay the subsequent taxes assessed against said land,
16 and upon the redemption of said land from such tax sale, the
17 redemptioner shall, in addition to the amount for which the
18 said land was sold, with interest thereon, pay the
19 subsequent taxes paid by the purchaser or his assignee at
20 such tax sale, with interest thereon at the rate of ~~--8%~~--per
21 ~~annum~~ annum established for delinquent taxes in 15-16-102, from
22 the date of the payment of such taxes. In all notices of
23 application for tax deed, the applicant shall state, in
24 addition to the amount paid at the tax sale, the amount of
25 subsequent taxes paid by the applicant or his assignee upon

1 such land, with interest thereon at the rate of ~~8%~~--per-annum
2 established for delinquent taxes in 15-16-102, from the date
3 of such payment, and no redemption shall be made until the
4 amount of such sale with interest and such subsequent taxes
5 and interest shall have been paid by the person seeking to
6 redeem such lands."

7 NEW SECTION. Section 2. Effective date --
8 applicability date. This act is effective on passage and
9 approval and applies to subsequent taxes paid by a tax sale
10 purchaser or his assignee after the effective date of this
11 act.

-End-



STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN114-85

Form BD-15

In compliance with a written request received January 16, 19 85, there is hereby submitted a Fiscal Note for H.B. 177 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

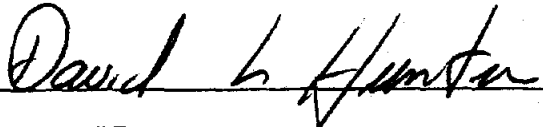
An act to make the interest rate on property taxes paid by a redemptioner the same as the rate on delinquent property taxes generally, and providing an effective date and an applicability date.

ASSUMPTIONS

1. Based on information from the Yellowstone County Treasurer there are 49 redemptions per year in the state.
2. The average amount of delinquent taxes in each case (based on Yellowstone County figures) is \$475.
3. On average redemption taxes are delinquent for 3 years.
4. Delinquent property tax collections, penalties, and interest are allocated on the basis of relative mill levies.
5. The School Foundation Levy is 45 mills; the University System Levy is 6 mills; the average county levy for the state is 237 mills.
6. Total state taxable value is estimated to be \$2,408,903,000 in FY1986 and \$2,495,795,000 in FY1987.
7. Interest is not compounded on delinquent taxes (reported by Yellowstone County Treasurer).

EFFECT ON REVENUE

	Under Current Law	<u>FY86</u> Under Proposed Law	Difference	Under Current Law	<u>FY87</u> Under Proposed Law	Difference
University Mill Levy	\$ 14,453,418	\$ 14,453,465	\$ 47	\$ 14,974,770	\$ 14,974,817	\$ 47
School Foundation Program	\$108,400,635	\$108,400,989	\$354	\$112,310,775	\$112,311,129	\$354
TOTAL REVENUE	\$122,854,053	\$122,854,454	\$401	\$127,285,545	\$127,285,946	\$401


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 22, 1985 HB 177

Request No. FNN114-85

Form BD-15

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H.B. 177

EFFECT ON COUNTY/LOCAL REVENUE

Affect on Property Taxes

Under current law

FY86
\$448,055,958

FY87
\$464,217,870

Under proposed law

\$448,057,419

\$464,219,331

Estimated increase

\$ 1,461

\$ 1,461

LONG-RANGE EFFECTS

The impact on future revenues would depend on the number of redemptions and the delinquent taxes involved each year.

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 177

INTRODUCED BY REAM, MARKS, HARRINGTON, HALLIGAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO MAKE THE INTEREST RATE ON PROPERTY TAXES PAID BY A REDEMPTIONER THE SAME AS THE RATE ON DELINQUENT PROPERTY TAXES GENERALLY; REQUIRING THAT ANY INTEREST IN EXCESS OF 8 PERCENT COLLECTED BY THE COUNTY TREASURER ON A REDEMPTION FROM A TAX SALE BE DEPOSITED IN THE COUNTY GENERAL FUND; AMENDING SECTION 15-18-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-18-102, MCA, is amended to read:

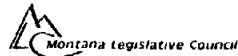
"15-18-102. Redemption from tax sales. (1) In all cases where real estate has been sold for delinquent taxes, the purchaser or his assignee at such tax sale may subsequent thereto pay the subsequent taxes assessed against said land, and upon the redemption of said land from such tax sale, the redemptioner shall, in addition to the amount for which the said land was sold, with interest thereon, pay the subsequent taxes paid by the purchaser or his assignee at such tax sale, with interest thereon at the rate ~~of 8%~~ per-annum established for delinquent taxes in 15-16-102, from the date of the payment of such taxes. In all notices

of application for tax deed, the applicant shall state, in addition to the amount paid at the tax sale, the amount of subsequent taxes paid by the applicant or his assignee upon such land, with interest thereon at the rate ~~of 8% per-annum~~ established for delinquent taxes in 15-16-102, from the date of such payment, and no redemption shall be made until the amount of such sale with interest and such subsequent taxes and interest shall have been paid by the person seeking to redeem such lands.

(2) ALL INTEREST IN EXCESS OF 8% PAID BY THE REDEMPTIONER SHALL BE PROMPTLY DEPOSITED BY THE COUNTY TREASURER IN THE COUNTY GENERAL FUND."

NEW SECTION. Section 2. Effective date -- applicability date. This act is effective on passage and approval and applies to subsequent taxes paid by a tax sale purchaser or his assignee after the effective date of this act.

-End-



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7 THAT ANY INTEREST IN EXCESS OF 8 PERCENT COLLECTED BY THE
8 COUNTY TREASURER ON A REDEMPTION FROM A TAX SALE BE
9 DEPOSITED IN THE COUNTY GENERAL FUND; AMENDING SECTION
10 15-18-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN
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17 the purchaser or his assignee at such tax sale may
18 subsequent thereto pay the subsequent taxes assessed against
19 said land, and upon the redemption of said land from such
20 tax sale, the redemptioner shall, in addition to the amount
21 for which the said land was sold, with interest thereon, pay
22 the subsequent taxes paid by the purchaser or his assignee
23 at such tax sale, with interest thereon at the rate of ~~8%~~
24 per-annum established for delinquent taxes in 15-16-102,
25 from the date of the payment of such taxes. In all notices

1 of application for tax deed, the applicant shall state, in
2 addition to the amount paid at the tax sale, the amount of
3 subsequent taxes paid by the applicant or his assignee upon
4 such land, with interest thereon at the rate of ~~8%~~ per-annum
5 established for delinquent taxes in 15-16-102, from the date
6 of such payment, and no redemption shall be made until the
7 amount of such sale with interest and such subsequent taxes
8 and interest shall have been paid by the person seeking to
9 redeem such lands.

10 (2) ALL INTEREST IN EXCESS OF 8% PAID BY THE
11 REDEMPTIONER SHALL BE PROMPTLY DEPOSITED BY THE COUNTY
12 TREASURER IN THE COUNTY GENERAL FUND."

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19 said land, and upon the redemption of said land from such
20 tax sale, the redemptioner shall, in addition to the amount
21 for which the said land was sold, with interest thereon, pay
22 the subsequent taxes paid by the purchaser or his assignee
23 at such tax sale, with interest thereon at the rate of 8%
24 per-annum established for delinquent taxes in 15-16-102,
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1 of application for tax deed, the applicant shall state, in
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