

HOUSE BILL NO. 253

1/18 Introduced  
1/18 Referred to Local Government  
1/21 Fiscal Note Requested  
1/26 Fiscal Note Received  
2/07 Hearing  
2/08 Adverse Committee Report  
2/09 Bill Killed

1 HOUSE BILL NO. 253  
2 INTRODUCED BY Linda Sales

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE  
5 INTEREST ON DELINQUENT PROPERTY TAX PAYMENTS TO 1 1/4  
6 PERCENT A MONTH AND TO ASSESS A FEE WHEN TAXES DUE ARE LESS  
7 THAN \$10; AMENDING SECTIONS 15-16-101, 15-16-102, AND  
8 15-17-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
9 AND AN APPLICABILITY DATE."

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 1 1/4% a month from and after such  
22 delinquency until paid and 2% will be added to the  
23 delinquent taxes as a 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 1 1/4% a month from and after such  
4 delinquency until paid and 2% will be added to the  
5 delinquent taxes as a penalty; and

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

8 (2) (a) 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 (e)(i) the taxable value of the property;

14 (e)(ii) the total mill levy applied to that taxable  
15 value;

16 (e)(iii) the value of each mill in that county;

17 (e)(iv) itemized city services and special improvement  
18 district assessments collected by the county;

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

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

24 (b) If a notice requires a total payment of less than  
25 \$10 in taxes, the treasurer shall assess a fee of \$10 on the



1 tax notice, which must be paid in addition to the tax due.  
 2 The fee, when paid, must be deposited in the county general  
 3 fund.

4 (3) The municipality shall, upon request of the county  
 5 treasurer, provide the information to be included under  
 6 subsection (2)(d)(a)(iv) ready for mailing.

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

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

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

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

24 (2) Unless one-half of such taxes are paid on or  
 25 before 5 p.m. on November 30 of each year, then such amount

1 so payable shall become delinquent and shall draw interest  
 2 at the rate of ~~5/6-of-1% per~~ 1 1/4% a month from and after  
 3 such delinquency until paid and 2% shall be added to the  
 4 delinquent taxes as a penalty.

5 (3) All taxes due and not paid on or before 5 p.m. on  
 6 May 31 of each year shall be delinquent and shall draw  
 7 interest at the rate of ~~5/6-of-1% per~~ 1 1/4% a month from  
 8 and after such delinquency until paid and 2% shall be added  
 9 to the delinquent taxes as a penalty."

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

11 "15-17-303. Assignment of rights of county. (1) At any  
 12 time after any parcel of land has been bid upon by the  
 13 county as the purchaser thereof for taxes as provided in  
 14 15-17-207, the same not having been redeemed, the county  
 15 treasurer shall assign all the right of the county therein  
 16 acquired at such sale to any person who pays the amount for  
 17 which the same was bid, with interest upon the original tax  
 18 at the rate of ~~5/6-of-1% per~~ 1 1/4% a month and the amount  
 19 of all subsequent delinquent taxes, penalties, costs, and  
 20 interest as provided by law upon the same from time to time  
 21 when such tax became delinquent. The county treasurer shall  
 22 execute to such person a certificate for such parcel, which  
 23 may be substantially in the following form:

24 "I, . . . ., the treasurer of the county of . . . ., state of  
 25 Montana, do hereby certify that at the sale of lands

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

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

1 Witness my hand and official seal of office this ....  
 2 day of ....., 19...

3 ..... (County Treasurer)"

4 (2) If the certificate described in subsection (1)  
 5 becomes lost by accident or destroyed by the assignee, the  
 6 county treasurer shall issue a duplicate certificate to the  
 7 assignee after the county treasurer is convinced that the  
 8 certificate has been lost or destroyed and after the  
 9 assignee has made an affidavit to that effect.

10 (3) The provisions of this section apply to any sale  
 11 of land for which a treasurer's deed was not issued by March  
 12 5, 1917, and the holder of any certificate described in  
 13 subsection (1) has the same rights, powers, and privileges  
 14 with regard to securing a deed as any purchaser of land at  
 15 tax sale may now have.

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

19 NEW SECTION. Section 4. Effective date --  
 20 applicability. This act is effective on passage and approval  
 21 and applies to taxes payable and delinquent after May 30,  
 22 1985.

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN154-85

Form **BD-15**

In compliance with a written request received January 21, 19 85, there is hereby submitted a Fiscal Note for H.B. 253 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 on delinquent property tax payments to  $1\frac{1}{2}$  percent a month and to assess a fee when taxes due are less than \$10, and providing an immediate effective date and an applicability date.

ASSUMPTIONS

There are no data available to estimate the fiscal impact of this proposal. It is felt the proposal would hasten the payment process and produce some expenditure savings. The \$10 minimum fee will help county treasurers recoup the administrative cost of processing delinquent taxes. The 50% increase in interest rate charges will add 50% to those delinquent tax bills that are paid. (In Lewis and Clark County, for a one month period, total delinquent payments were \$500,000. The interest rate increase would have increased the payments \$32,000. In Yellowstone County, for the last six months of 1984, total delinquent payments were \$1,709,000. The interest rate increase would have increased the payments \$21,400.)

David L. Hunter

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Jan 25, 1985  
HB 253