

HB 678 INTRODUCED BY CONNELLY, ET AL.  
PENALTY FOR DELINQUENT PROPERTY TAXES BASED ON  
PERCENTAGE OF AMOUNT UNPAID

2/09	INTRODUCED		
2/09	REFERRED TO TAXATION		
2/09	FISCAL NOTE REQUESTED		
2/11	FISCAL NOTE RECEIVED		
2/19	HEARING		
2/23	COMMITTEE REPORT--BILL PASSED AS AMENDED		
3/02	REREFERRED TO TAXATION		
3/10	COMMITTEE REPORT--BILL PASSED AS AMENDED		
3/13	2ND READING PASSED AS AMENDED	86	10
3/16	3RD READING PASSED	82	11
	TRANSMITTED TO SENATE		
3/17	REFERRED TO TAXATION		
3/25	HEARING		
3/31	ADVERSE COMMITTEE REPORT ADOPTED	45	3
4/01	RETURNED TO HOUSE NOT CONCURRED		

1  
 2 INTRODUCTION BY *House* BILL NO. *678*  
 3 *Connolly, Sand - Vincent Kelly*  
*Kedee Peck*

4 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE PENALTY  
 5 FOR A DELINQUENT PROPERTY TAX PAYMENT TO A PERCENTAGE BASED  
 6 ON THE AMOUNT OF UNPAID DELINQUENT PROPERTY TAX; AMENDING  
 7 SECTIONS 15-16-101 AND 15-16-102, MCA; AND PROVIDING AN  
 8 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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

12 "15-16-101. Treasurer to publish notice -- manner of  
 13 publication. (1) Within 10 days after the receipt of the  
 14 assessment book, the county treasurer must publish a notice  
 15 specifying:

16 (a) that one-half of all taxes levied and assessed  
 17 will be due and payable before 5 p.m. on November 30 next  
 18 thereafter and that unless paid prior thereto the amount  
 19 then due will be delinquent and will draw interest at the  
 20 rate of 5/6 of 1% per month from and after such delinquency  
 21 until paid and 2% the penalty provided in [section 3] will  
 22 be added to the delinquent taxes as--a-penalty on each  
 23 property;

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% the penalty provided in [section 3] will be  
 5 added to the delinquent taxes as-a-penalty on each property;  
 6 and

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

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

- 14 (a) the taxable value of the property;
- 15 (b) the total mill levy applied to that taxable value;
- 16 (c) the value of each mill in that county;
- 17 (d) itemized city services and special improvement  
 18 district assessments collected by the county;
- 19 (e) the number of the school district in which the  
 20 property is located; and
- 21 (f) the amount of the total tax due that is levied as  
 22 city tax, county tax, state tax, school district tax, and  
 23 other tax.

24 (3) The municipality shall, upon request of the county  
 25 treasurer, provide the information to be included under



1 subsection (2)(d) ready for mailing.

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

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

11 "15-16-102. Time for payment -- penalty for  
12 delinquency. All taxes levied and assessed in the state of  
13 Montana, except assessments made for special improvements in  
14 cities and towns payable under 15-16-103 and assessments  
15 made on new production as provided in Title 15, chapter 23,  
16 part 6, and payable under 15-16-121, shall be payable as  
17 follows:

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

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

1 [section 3] shall be added to the delinquent taxes ~~as--a~~  
2 penalty on each property.

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

9 NEW SECTION. Section 3. Penalty for delinquent  
10 property taxes. The county treasurer shall add to the  
11 delinquent real and personal property taxes a penalty based  
12 on a percentage of delinquent tax according to the following  
13 schedule and applied to each separately assessed and taxed  
14 piece of property:

<u>Delinquent Tax</u>	<u>Penalty</u>
15 First \$1,000	16 2%
17 More than \$1,000 but not	
18 more than \$10,000	18 5% of the increment
19 More than \$10,000	19 10% of the increment

20 NEW SECTION. Section 4. Codification instruction.  
21 Section 3 is intended to be codified as an integral part of  
22 Title 15, chapter 16, part 1, and the provisions of Title  
23 15, chapter 16, apply to section 3.

24 NEW SECTION. Section 5. Effective date --  
25 applicability. This act is effective July 1, 1987, and

LC 1471/01

- 1 applies to property taxes that become delinquent during the
- 2 1987 fiscal year and thereafter.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB678, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act changing the penalty for a delinquent property tax payment to a percentage based on the amount of unpaid delinquent property tax; and providing an effective date and an applicability date.

FISCAL IMPACT:

There are no data available to accurately estimate the fiscal impact of this proposal. The proposed law would however, probably accelerate the payment process for delinquent property taxes.

David L. Hunter DATE 2/11/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

M. E. Connelly DATE 2/11/87  
MARY ELLEN CONNELLY, PRIMARY SPONSOR  
Fiscal Note for HB678, as introduced.

HB 678

RE-REFERRED AND  
APPROVED BY COMMITTEE  
ON TAXATION  
AS AMENDED

1 HOUSE BILL NO. 678  
2 INTRODUCED BY CONNELLY, SANDS, VINCENT, HALLIGAN,  
3 KADAS, PECK  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING--THE--PENALTY  
6 INCREASING THE INTEREST RATE FOR A DELINQUENT PROPERTY TAX  
7 PAYMENT TO-A--PERCENTAGE--BASED--ON--THE--AMOUNT--OF--UNPAID  
8 DELINQUENT--PROPERTY--TAX; AMENDING SECTIONS 15-16-101 AND  
9 15-16-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN  
10 APPLICABILITY DATE."

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

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

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

18 (a) that one-half of all taxes levied and assessed  
19 will be due and payable before 5 p.m. on November 30 next  
20 thereafter and that unless paid prior thereto the amount  
21 then due will be delinquent and will draw interest at the  
22 rate of ~~5/6~~ of 1% per month from and after such delinquency  
23 until paid and 2% ~~the penalty provided in section 3~~ 2%  
24 will be added to the delinquent taxes ~~as a penalty on each~~  
25 property AS A PENALTY;

1 (b) that one-half of all taxes levied and assessed  
2 will be due and payable on or before 5 p.m. on May 31 next  
3 thereafter and that unless paid prior to said date said  
4 taxes will be delinquent and will draw interest at the rate  
5 of ~~5/6~~ of 1% per month from and after such delinquency until  
6 paid and 2% ~~the penalty provided in section 3~~ 2% will be  
7 added to the delinquent taxes ~~as a penalty on each property~~  
8 AS A PENALTY; and

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

11 (2) THE PENALTY FOR DELINQUENCY APPLIES ONLY TO TAXES  
12 THAT ARE MORE THAN 10 DAYS DELINQUENT.

13 ~~(2)~~(3) He must send to the last-known address of each  
14 taxpayer written notice, postage prepaid, showing the amount  
15 of taxes and assessments due the current year and the amount  
16 due and delinquent for other years. The written notice shall  
17 include:

18 (a) the taxable value of the property;  
19 (b) the total mill levy applied to that taxable value;  
20 (c) the value of each mill in that county;  
21 (d) itemized city services and special improvement  
22 district assessments collected by the county;  
23 (e) the number of the school district in which the  
24 property is located; and  
25 (f) the amount of the total tax due that is levied as



1 city tax, county tax, state tax, school district tax, and  
2 other tax.

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

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

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

15 "15-16-102. Time for payment -- penalty for  
16 delinquency. All taxes levied and assessed in the state of  
17 Montana, except assessments made for special improvements in  
18 cities and towns payable under 15-16-103 and assessments  
19 made on new production as provided in Title 15, chapter 23,  
20 part 6, and payable under 15-16-121, shall be payable as  
21 follows:

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

25 (2) Unless one-half of such taxes are paid on or

1 before 5 p.m. on November 30 of each year, then such amount  
2 so payable shall become delinquent and shall draw interest  
3 at the rate of 5/6-of 1% per month from and after such  
4 delinquency until paid and ~~2%~~ the--penalty--provided-in  
5 {section-3} 2% shall be added to the delinquent taxes ~~as--a~~  
6 penalty on-each-property AS A PENALTY.

7 (3) All taxes due and not paid on or before 5 p.m. on  
8 May 31 of each year shall be delinquent and shall draw  
9 interest at the rate of 5/6-of 1% per month from and after  
10 such delinquency until paid and ~~2%~~ the-penalty--provided--in  
11 {section--3} 2% shall be added to the delinquent taxes ~~as-a~~  
12 penalty on-each-property AS A PENALTY.

13 (4) THE PENALTY FOR DELINQUENCY APPLIES ONLY TO TAXES  
14 THAT ARE MORE THAN 10 DAYS DELINQUENT."

15 NEW-SECTION--Section-3--Penalty----for----delinquent  
16 property-taxes--The--county--treasurer--shall--add--to--the  
17 delinquent--real-and-personal-property-taxes-a-penalty-based  
18 on-a-percentage-of-delinquent-tax-according-to-the-following  
19 schedule-and-applied-to-each-separately-assessed--and--taxed  
20 piece-of-property:

<u>Delinquent-Tax</u>	<u>Penalty</u>
<u>First-\$17000</u>	<u>2%</u>
<u>More--than--\$17000--but-not</u>	
<u>more-than-\$107000</u>	<u>5%--4%--of-the-increment</u>
<u>More-than-\$107000</u>	<u>10%--of-the-increment</u>

1       ~~NEW SECTION. Section 4. Codification. Instruction.~~  
2       ~~Section 3 is intended to be codified as an integral part of~~  
3       ~~Title 15, chapter 16, part 1, and the provisions of Title~~  
4       ~~15, chapter 16, apply to section 3.~~  
5       NEW SECTION. Section 3. Effective       date       --  
6       applicability. This act is effective July 1, 1987, and  
7       applies to property taxes that become delinquent during the  
8       1987 fiscal year and thereafter.

-End-



## 1 HOUSE BILL NO. 678

2 INTRODUCED BY CONNELLY, SANDS, VINCENT, HALLIGAN,  
3 KADAS, PECK  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING--THE--PENALTY  
6 INCREASING THE INTEREST RATE FOR A DELINQUENT PROPERTY TAX  
7 PAYMENT TO A--PERCENTAGE--BASED--ON--THE--AMOUNT--OF--UNPAID  
8 DELINQUENT--PROPERTY--TAX; AMENDING SECTIONS 15-16-101 AND  
9 15-16-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN  
10 APPLICABILITY DATE."

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

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

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

18 (a) that one-half of all taxes levied and assessed  
19 will be due and payable before 5 p.m. on November 30 next  
20 thereafter and that unless paid prior thereto the amount  
21 then due will be delinquent and will draw interest at the  
22 rate of  $\frac{5}{6}$  of 1% per month from and after such delinquency  
23 until paid and 2% the penalty provided in {section 3} 2%  
24 will be added to the delinquent taxes as a penalty on--each  
25 property AS A PENALTY;

1 (b) that one-half of all taxes levied and assessed  
2 will be due and payable on or before 5 p.m. on May 31 next  
3 thereafter and that unless paid prior to said date said  
4 taxes will be delinquent and will draw interest at the rate  
5 of  $\frac{5}{6}$  of 1% per month from and after such delinquency until  
6 paid and 2% the penalty provided in {section 3} 2% will be  
7 added to the delinquent taxes as a penalty on--each--property  
8 AS A PENALTY; and

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

11 ~~{2}--THE PENALTY FOR DELINQUENCY APPLIES ONLY TO--TAXES~~  
12 ~~THAT ARE MORE THAN 10 DAYS DELINQUENT;~~

13 {2}{3}(2) He must send to the last-known address of  
14 each taxpayer written notice, postage prepaid, showing the  
15 amount of taxes and assessments due the current year and the  
16 amount due and delinquent for other years. The written  
17 notice shall include:

18 (a) the taxable value of the property;  
19 (b) the total mill levy applied to that taxable value;  
20 (c) the value of each mill in that county;  
21 (d) itemized city services and special improvement  
22 district assessments collected by the county;  
23 (e) the number of the school district in which the  
24 property is located; and  
25 (f) the amount of the total tax due that is levied as

1 city tax, county tax, state tax, school district tax, and  
2 other tax.

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

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

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

15 "15-16-102. Time for payment -- penalty for  
16 delinquency. All taxes levied and assessed in the state of  
17 Montana, except assessments made for special improvements in  
18 cities and towns payable under 15-16-103 and assessments  
19 made on new production as provided in Title 15, chapter 23,  
20 part 6, and payable under 15-16-121, shall be payable as  
21 follows:

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

25 (2) Unless one-half of such taxes are paid on or

1 before 5 p.m. on November 30 of each year, then such amount  
2 so payable shall become delinquent and shall draw interest  
3 at the rate of 5/6-of 1% per month from and after such  
4 delinquency until paid and 2% ~~the--penalty--provided-in~~  
5 ~~(section-3)~~ 2% shall be added to the delinquent taxes as--a  
6 penalty on-each-property AS A PENALTY.

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

13 ~~(4)--THE-PENALTY-FOR-DELINQUENCY-APPLIES-ONLY-TO--TAXES~~  
14 ~~THAT-ARE-MORE-THAN-10-DAYS-DELINQUENT."~~

15 ~~NEW-SECTION--Section-3--Penalty-----for----delinquent~~  
16 ~~property-taxes--The--county--treasurer--shall--add--to--the~~  
17 ~~delinquent--real-and-personal-property-taxes-a-penalty-based~~  
18 ~~on-a-percentage-of-delinquent-tax-according-to-the-following~~  
19 ~~schedule-and-applied-to-each-separately-assessed--and--taxed~~  
20 ~~piece-of-property:~~

<u>Delinquent-Tax</u>	<u>Penalty</u>
First-\$1,000	2%
More--than--\$1,000--but-not	
more-than-\$10,000	5%-- <del>4%</del> --of-the-increment
More-than-\$10,000	10%--of-the-increment

1       ~~NEW SECTION--Section 4--Codification----instruction--~~  
2       ~~Section 3 is intended to be codified as an integral part of~~  
3       ~~Title 15, chapter 16, part 17 and the provisions of Title~~  
4       ~~15, chapter 16, apply to section 3.~~  
5       NEW SECTION. Section 3. Effective       date       --  
6       applicability. This act is effective July 1, 1987, and  
7       applies to property taxes that become delinquent during the  
8       1987 fiscal year and thereafter.

-End-