

IN THE HOUSE

APRIL 16, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 17, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 when it becomes delinquent."

2 Section 3. Section 7-12-4182, MCA, is amended to read:

3 "7-12-4182. Collection of district assessments by city
4 treasurer in cities collecting their own taxes --
5 delinquencies. (1) In every city or town which shall provide
6 by ordinance for the collection of its taxes for general,
7 municipal, and administrative purposes by its city treasurer
8 or town clerk, such city treasurer or town clerk shall
9 collect all special assessments and taxes levied and
10 assessed in accordance with any of the provisions of this
11 part and part 42 in the same manner and at the same time as
12 said taxes for general, municipal, and administrative
13 purposes are collected by him. All of the provisions of
14 7-6-4423 shall apply to the collection of such special taxes
15 and assessments in the same manner as such provisions apply
16 to the collection of other city or town taxes.

17 (2) When one the payment of an installment of a
18 special assessment becomes delinquent, all payments shall of
19 subsequent installments may, at the option of the city or
20 town council and by upon adoption of the appropriate
21 resolutions duly--adopted, become delinquent, and Upon
22 delinquency in one or all installments, the whole property
23 shall be sold the same as other property is sold for taxes.
24 The enforcement of the lien of any installment of a special
25 assessment by any method authorized by law does not prevent

1 the enforcement of the lien of any subsequent installment
2 when it becomes delinquent."

3 Section 4. Section 7-12-4183, MCA, is amended to read:

4 "7-12-4183. Collection of district assessments by city
5 treasurer in cities where county collects taxes. (1) In any
6 city or town where taxes for general, municipal, and
7 administrative purposes are certified to and collected by
8 the county treasurer in accordance with the provisions of
9 7-6-4407 and 7-6-4423, the city or town may, nevertheless,
10 provide by ordinance for the collection by its city
11 treasurer or town clerk of all special assessments and taxes
12 levied and assessed in accordance with any of the provisions
13 of this part and part 42 in the same manner and at the same
14 time as said taxes for general, municipal, and
15 administrative purposes are collected by the county
16 treasurer. All of the provisions of 7-6-4423 shall apply to
17 the collection of such special taxes and assessments in the
18 same manner as such provisions apply to the collection of
19 other city or town taxes.

20 (2) When the payment of any one installment of any
21 special assessment becomes delinquent, all payments of
22 subsequent installments shall, at the option of the city or
23 town council and by appropriate resolution duly adopted,
24 become delinquent. Such delinquent special assessments shall
25 be certified to the county clerk of the county in which such

1 city or town is situated, and the county treasurer must
 2 collect such delinquent special assessments and taxes in the
 3 same manner and at the same time as said taxes for general,
 4 municipal, and administrative purposes are collected by him.
 5 In case the same are not paid, the whole property shall be
 6 sold, the same as other property is sold for taxes. The
 7 enforcement of the lien of any installment of a special
 8 assessment by any method authorized by law does not prevent
 9 the enforcement of the lien of any subsequent installment
 10 when it becomes delinquent."

11 Section 5. Section 15-17-101, MCA, is amended to read:

12 "15-17-101. Publication of notice of tax sales. (1) On
 13 or before the last Monday of June of each year, the county
 14 treasurer must publish and mail in the manner and-for-the
 15 time prescribed in this section a notice specifying stating:

16 (a) that at a given time and place (to be designated
 17 in the notice), all property in the county upon which
 18 delinquent taxes are a lien will be sold at public auction
 19 unless prior to said time said delinquent taxes, together
 20 with all interest, penalties, and costs due thereon, are
 21 paid; and

22 (b) that a complete delinquent list of all persons and
 23 property in the county now owing taxes, including all city
 24 and town property as to which taxes or taxes and assessments
 25 are delinquent, is on file in the office of the county

1 treasurer and is subject to public inspection and
 2 examination.

3 (2) The publication must be made once a week for 3
 4 successive weeks in such newspaper published in the county
 5 as the board of county commissioners directs; if there is no
 6 newspaper published in the county, then by posting the
 7 notice in three public places.

8 (3) ~~The--publication--must--designate--the--time--and--place~~
 9 ~~of--sale.~~ The mailing must be made to all parties having an
 10 ownership interest in each lot, tract, or parcel of land for
 11 which taxes or assessments are delinquent.

12 (a) The parties are to be identified and their mailing
 13 addresses determined from the real estate records of the
 14 county in which the land is located, and other persons, if
 15 any, known by the county treasurer to have an ownership
 16 interest in the property must be included.

17 (b) For the purposes of this subsection (3),
 18 "ownership interest" means any interest in real property,
 19 including but not limited to that of a holder of the fee, a
 20 lessee, licensee, sublessor, sublessee, mortgagee, or a
 21 vendor or vendee under a contract for deed.

22 (4) The time of sale must not be not less than 21 or
 23 more than 28 days from the latter of the date of the mailing
 24 or the first publication of the notice, and the place must
 25 be in front of the county treasurer's office."

1 Section 6. Section 15-18-101, MCA, is amended to read:

2 "15-18-101. Time for redemption. (1) A redemption of
3 the property sold may be made by the owner or any party
4 having any interest in or lien upon such property within 36
5 months from the date of purchase for homestead property or
6 within 12 months from the date of purchase for other
7 property or at any time prior to the giving of the notice
8 and the application for a deed as provided in this chapter.

9 (2) For the purposes of this section, "homestead
10 property" means:

11 (a) agricultural land meeting the criteria set forth
12 in 15-7-202; or

13 (b) (i) a single-family dwelling or unit of a
14 multiple-unit dwelling that is property occupied as a
15 principal residence by an owner of any interest in the
16 dwelling, legal or equitable, excluding a leasehold,
17 tenancy, or similar interest or a lien or encumbrance; and

18 (ii) the lot, tract, or parcel of land upon which the
19 dwelling is located."

20 Section 7. Section 15-18-401, MCA, is amended to read:

21 "15-18-401. Action to quiet title to tax deed property
22 -- notice. (1) In any action brought to set aside or annul
23 any tax deed or to quiet title or to determine the rights of
24 a purchaser, including the county, or his successors to real
25 property claimed to have been acquired by reason of tax

1 proceedings or a tax sale, the purchaser or his successor,
2 upon filing an affidavit, may obtain from the court an order
3 directed to the person claiming to own the property or to
4 have any interest in or lien upon said property or a right
5 to redeem the same or claiming rights hostile to the tax
6 title (which person is herein, for convenience, called the
7 true owner), commanding him to:

8 (a) deposit in court to the use of the tax purchaser
9 or his successors:

10 (i) the amount of all taxes, interest, and penalties
11 which would have accrued if said property had been regularly
12 and legally assessed and taxed as the property of said true
13 owner and sold for delinquent taxes and was about to be
14 redeemed by him; and

15 (ii) the amount of all sums reasonably paid thereafter
16 by said purchaser or his successors after ~~3 years from the~~
17 ~~date of expiration of the redemption period for~~ said tax
18 sale in preserving said property or in making improvements
19 thereon while in possession thereof, as the total amount of
20 said taxes, interest, penalties, and improvements is alleged
21 by the plaintiff and as shall appear in said order; or

22 (b) show cause on a date to be fixed in said order,
23 not exceeding 30 days from the date thereof, why such
24 payments should not be made.

25 (2) Said affidavit shall set forth the place of

1 residence of said true owners and whether they are in the
2 state of Montana, if known to the plaintiff, or that the
3 same is not known to the plaintiff.

4 (3) Said order shall be filed with the clerk and
5 recorder and a copy served personally upon all persons shown
6 in said affidavit to be residents of and in the state of
7 Montana, and jurisdiction shall be acquired over all other
8 persons by publishing the same once in a newspaper in the
9 county and by posting the same in three public places in the
10 county at least 10 days before the day fixed for the hearing
11 and by leaving a copy with the county treasurer."

12 Section 8. Section 15-18-403, MCA, is amended to read:

13 "15-18-403. Title conveyed by deed -- procedure to
14 cure defects. (1) All deeds executed ~~more-than-3-years~~ after
15 the expiration of the redemption period for any tax sale
16 shall be deemed to convey to the grantee the absolute title
17 to the lands described therein as of the date of the
18 expiration of ~~3--years--following--the--date--of--sale~~ the
19 redemption period, including all the right, title, interest,
20 estate, lien, claim, and demand of the state of Montana and
21 of the county in and to said real estate and including the
22 right, if said tax deed or tax sale or any of the tax
23 proceedings upon which said deed may be based shall be
24 attacked and held irregular or void, to recover the unpaid
25 taxes, interest, and penalties which would accrue if said

1 tax proceedings had been regular and it was desired to
2 redeem said property, free of all encumbrances except the
3 lien for taxes which may have attached subsequent to the
4 sale and the lien of any special, local improvement,
5 irrigation, or drainage assessments levied against the
6 property, payable after the execution of the tax deed, and
7 except when the land is owned by the United States or the
8 state, in which case it is prima facie evidence of the right
9 of possession accruing as of the date of the expiration of
10 such period for redemption.

11 (2) If any tax deed or deed purporting to be such has
12 been or shall be issued more than ~~3-years-and~~ 30 days after
13 the expiration of the redemption period following any tax
14 sale or attempted tax sale, the grantee may publish in any a
15 newspaper in the county published at the county seat or, if
16 none, in any-other a newspaper of general circulation in the
17 county, once a week for 2 weeks, and mail in the manner
18 specified a notice entitled "a notice of claim of a tax
19 title" which shall set forth a description of any property
20 claimed to have been acquired by a tax deed; an estimate of
21 the amount due thereon for taxes, interest, and penalties;
22 and a statement that for further particulars reference is
23 made to the records in the office of the county treasurer;
24 also the name of the person claiming to have obtained a tax
25 deed to said property and the name of the person in whose

1 name said property was assessed or taxed and a statement
 2 that demand is made that such person shall, within 30 days
 3 after the latter of the date of the first publication or
 4 mailing of said notice, pay to said claimant or to the
 5 county treasurer to his use the amount of the taxes,
 6 interest, and penalties as the same may appear in the
 7 records of the county treasurer or bring a suit to quiet his
 8 title or to set aside said tax deed or deeds. Any mistake in
 9 the amount or in any name specified in said notice shall not
 10 invalidate the same. The mailing must be made on or before
 11 the date of the first publication of the notice to all
 12 parties having an ownership interest in the property.

13 (a) The parties are to be identified and their mailing
 14 addresses determined from the real estate records of the
 15 county in which the property is located, and other persons,
 16 if any, known to the grantee to have an ownership interest
 17 in the property must be included.

18 (b) For the purposes of this subsection (2),
 19 "ownership interest" means any interest in real property,
 20 including but not limited to that of a holder of the fee, a
 21 lessee, licensee, sublessor, sublessee, mortgagee, or a
 22 vendor or vendee under a contract for deed.

23 (3) If, within said period of 30 days, said taxes,
 24 interest, and penalties shall not have been paid or said
 25 suit brought, all defects in the tax proceedings and any

1 right of redemption shall be deemed waived and thereupon the
 2 title to said property described in said notice and in the
 3 tax deed shall be valid and binding, irrespective of any
 4 irregularities, defects, or omissions or total failures to
 5 observe any of the provisions of the statutes of Montana
 6 regarding the assessment, levying of taxes, or sale of
 7 property for taxes and the giving of notices including
 8 notices of redemption, whether or not such omissions or
 9 failures make said proceedings void (other than that the
 10 taxes were not delinquent or have been paid)."

11 NEW SECTION. Section 9. Definitions. Unless the
 12 context indicates otherwise, as used in [sections 9 through
 13 13], the following definitions apply:

14 (1) "Improvement fund" means, with respect to any
 15 special assessments, the fund of the municipality into which
 16 collections of the special assessments have been pledged or
 17 appropriated.

18 (2) "Municipality" means, with respect to special
 19 assessments levied under Title 7, chapter 12, parts 41
 20 through 46, the city or town that levied such assessments.

21 NEW SECTION. Section 10. Municipality as purchaser.
 22 Whenever property has been struck off to the county at a tax
 23 sale under 15-17-207, is subject to the lien of delinquent
 24 special assessments, and has not been assigned under
 25 15-17-208 or 15-17-303, at the request of the municipality

1 the county treasurer shall assign all of the rights of the
 2 county acquired therein at the sale to the municipality upon
 3 payment of any delinquent taxes (excluding assessments) and
 4 costs, without penalty or interest. The duplicate
 5 certificate of sale must be delivered to the treasurer of
 6 the municipality and filed by him in his office. No charge
 7 may be made for the duplicate certificate when the
 8 municipality is the purchaser, and in such case the county
 9 treasurer shall make an entry "sold to the municipality" on
 10 the assessment book opposite the tax, and he must be
 11 credited with the delinquent amount thereof in the
 12 settlement. Property sold to the municipality must be held
 13 in trust by the municipality for the improvement fund into
 14 which the delinquent special assessments are payable.

15 NEW SECTION. Section 11. Assignment of municipality's
 16 interest. (1) At any time after a parcel of land has been
 17 acquired by a municipality, as provided in [section 10], and
 18 has not been redeemed, the treasurer of the municipality
 19 shall assign all the rights of the municipality in the
 20 property to any person who pays:

- 21 (a) the purchase price paid by the municipality;
- 22 (b) the delinquent assessments;
- 23 (c) interest on the purchase price and delinquent
 24 assessments at the rate of 5/6 of 1% a month; and
- 25 (d) penalties and costs as provided by law.

1 (2) The treasurer of the municipality shall execute to
 2 such person a certificate of sale for the parcel, which may
 3 be in substantially the form provided in 15-17-303 for the
 4 assignment of the interests of the county. If the
 5 certificate of sale becomes lost or accidentally destroyed
 6 by the assignee, the treasurer of the municipality shall
 7 issue a duplicate certificate to the assignee after the
 8 assignee delivers to the treasurer evidence satisfactory to
 9 him, including an affidavit of the assignee, that the
 10 certificate has been lost or destroyed.

11 (3) An assignment by a municipality under this section
 12 discharges the trust created under [section 10]. The
 13 municipality may also discharge the trust created under
 14 [section 10] by paying into the improvement fund the amount
 15 of the delinquent assessments and interest accrued thereon.

16 NEW SECTION. Section 12. Sale or lease and
 17 disposition of proceeds from lands acquired by municipality.
 18 A municipality may sell or lease property it acquires under
 19 [section 10] in the same manner as a county may sell or
 20 lease tax-deed property under Title 7, chapter 8, part 23.
 21 All money received by the municipality from the sale or
 22 lease of such land, after payment of the cost of sale, not
 23 to exceed \$25, must be paid into the improvement fund to the
 24 extent of the delinquent assessments, interest, and
 25 penalties. The surplus, if any, must be paid into any

1 revolving fund that secures payment of such special
2 assessments or, if none, to the general fund of the
3 municipality.

4 NEW SECTION. Section 13. Taxes and subsequent
5 installments of special assessments on land acquired by a
6 municipality. For property that is acquired by a
7 municipality as provided in [section 10], subsequent
8 installments of the special assessment or assessments, if
9 any, and other special assessments not then delinquent must
10 be levied, and taxes for the following years must be
11 assessed in the same manner as if the property had not been
12 so acquired. If the special assessments or installments
13 thereof or taxes are not paid when due, the property must
14 again be sold in the manner provided by law and the levies
15 of special assessments, assessments of taxes, and the sale
16 of the property for delinquent special assessments and taxes
17 must continue until the time when the property has been
18 redeemed from such sale.

19 NEW SECTION. Section 14. Codification instruction.
20 Sections 9 through 13 are intended to be codified as an
21 integral part of Title 15, chapter 17, part 3, and the
22 provisions of Title 15, chapter 17, part 3, apply to
23 sections 9 through 13.

24 NEW SECTION. Section 15. Severability. If a part of
25 this act is invalid, all valid parts that are severable from

1 the invalid part remain in effect. If a part of this act is
2 invalid in one or more of its applications, the part remains
3 in effect in all valid applications that are severable from
4 the invalid applications.

5 NEW SECTION. Section 16. Applicability. This act
6 applies to the enforcement of all outstanding and future tax
7 and assessment liens except those installments of
8 outstanding special assessments that are delinquent and have
9 been the subject of a sale for delinquent taxes or
10 assessments before the effective date of this act.

11 NEW SECTION. Section 17. Effective date. This act is
12 effective on passage and approval.

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 743

INTRODUCED BY SALES, CONNELLY, VINCENT

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE LAWS RELATING TO THE SALE OF LANDS FOR DELINQUENT TAXES AND SPECIAL ASSESSMENTS; CHANGING THE TIME PERIOD FOR REDEMPTION FROM SUCH SALES; AMENDING SECTIONS 7-8-2301, 7-12-2163, 7-12-4182, 7-12-4183, ~~15-17-1017~~ 15-18-101, 15-18-401, AND 15-18-403, MCA; AND PROVIDING AN APPLICABILITY PROVISION AND AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Auction sale of county tax-deed land. (1) Whenever the county shall acquire any land by tax deed, it shall be the duty of the board of county commissioners, within 6 months after acquiring title, to make and enter an order for sale of such lands at public auction at the front door of the courthouse.

(2) No sale shall be made for a price less than the fair market value thereof, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land from the unencumbered value of the land, but the minimum sale price

for a parcel of land may not be less than \$10.

(3) If no bids are received at a sale of tax-deed land, the board shall order another auction sale of such land under this part within 6 months and shall, if required by the circumstances, redetermine the fair market value of the land under subsection (2)."

Section 2. Section 7-12-2163, MCA, is amended to read:

"7-12-2163. Collection of district assessments by county treasurer -- delinquencies. (1) Where any resolution of assessment, either for construction or maintenance, has been duly certified by the county clerk, it shall be the duty of the county treasurer, in accordance with the provisions of this title, to collect such assessment in the same manner and at the same time as taxes for general and municipal purposes are collected by him.

(2) When the payment of an installment of a special assessment becomes delinquent, all payments of subsequent installments of the special assessment may, at the option of the board of county commissioners and upon adoption of the appropriate resolutions, become delinquent. Upon delinquency in one or all installments, the whole property must be sold the same as other property is sold for taxes. The enforcement of the lien of any installment of a special assessment by any method authorized by law does not prevent the enforcement of the lien of any subsequent installment

1 when it becomes delinquent."

2 Section 3. Section 7-12-4182, MCA, is amended to read:

3 "7-12-4182. Collection of district assessments by city
4 treasurer in cities collecting their own taxes --
5 delinquencies. (1) In every city or town which shall provide
6 by ordinance for the collection of its taxes for general,
7 municipal, and administrative purposes by its city treasurer
8 or town clerk, such city treasurer or town clerk shall
9 collect all special assessments and taxes levied and
10 assessed in accordance with any of the provisions of this
11 part and part 42 in the same manner and at the same time as
12 said taxes for general, municipal, and administrative
13 purposes are collected by him. All of the provisions of
14 7-6-4423 shall apply to the collection of such special taxes
15 and assessments in the same manner as such provisions apply
16 to the collection of other city or town taxes.

17 (2) When one the payment of an installment of a
18 special assessment becomes delinquent, all payments shall of
19 subsequent installments may, at the option of the city or
20 town council and by upon adoption of the appropriate
21 resolutions duly--adopted, become delinquent, and Upon
22 delinquency in one or all installments, the whole property
23 shall be sold the same as other property is sold for taxes.
24 The enforcement of the lien of any installment of a special
25 assessment by any method authorized by law does not prevent

1 the enforcement of the lien of any subsequent installment
2 when it becomes delinquent."

3 Section 4. Section 7-12-4183, MCA, is amended to read:

4 "7-12-4183. Collection of district assessments by city
5 treasurer in cities where county collects taxes. (1) In any
6 city or town where taxes for general, municipal, and
7 administrative purposes are certified to and collected by
8 the county treasurer in accordance with the provisions of
9 7-6-4407 and 7-6-4423, the city or town may, nevertheless,
10 provide by ordinance for the collection by its city
11 treasurer or town clerk of all special assessments and taxes
12 levied and assessed in accordance with any of the provisions
13 of this part and part 42 in the same manner and at the same
14 time as said taxes for general, municipal, and
15 administrative purposes are collected by the county
16 treasurer. All of the provisions of 7-6-4423 shall apply to
17 the collection of such special taxes and assessments in the
18 same manner as such provisions apply to the collection of
19 other city or town taxes.

20 (2) When the payment of any one installment of any
21 special assessment becomes delinquent, all payments of
22 subsequent installments shall, at the option of the city or
23 town council and by appropriate resolution duly adopted,
24 become delinquent. Such delinquent special assessments shall
25 be certified to the county clerk of the county in which such

1 city or town is situated, and the county treasurer must
 2 collect such delinquent special assessments and taxes in the
 3 same manner and at the same time as said taxes for general,
 4 municipal, and administrative purposes are collected by him.
 5 In case the same are not paid, the whole property shall be
 6 sold, the same as other property is sold for taxes. The
 7 enforcement of the lien of any installment of a special
 8 assessment by any method authorized by law does not prevent
 9 the enforcement of the lien of any subsequent installment
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11 Section 5, Section 15-17-101, MCA, is amended to read:

12 "15-17-101. Publication of notice of tax sales. (1)
 13 On or before the last Monday of June of each year, the
 14 county treasurer must publish and mail in the manner and for
 15 the time prescribed in this section a notice specifying
 16 stating:

17 (a) that at a given time and place (to be designated
 18 in the notice), all property in the county upon which
 19 delinquent taxes are a lien will be sold at public auction
 20 unless prior to said time said delinquent taxes, together
 21 with all interest, penalties, and costs due thereon, are
 22 paid; and

23 (b) that a complete delinquent list of all persons and
 24 property in the county now owing taxes, including all city
 25 and town property as to which taxes or taxes and assessments

1 are delinquent, is on file in the office of the county
 2 treasurer and is subject to public inspection and
 3 examination;

4 (2) The publication must be made once a week for 3
 5 successive weeks in such newspaper published in the county
 6 as the board of county commissioners directs, if there is no
 7 newspaper published in the county, then by posting the
 8 notice in three public places;

9 (3) The publication must designate the time and place
 10 of sale. The mailing must be made to all parties having an
 11 ownership interest in each lot, tract, or parcel of land for
 12 which taxes or assessments are delinquent;

13 (4) The parties are to be identified and their mailing
 14 addresses determined from the real estate records of the
 15 county in which the land is located, and other persons, if
 16 any, known by the county treasurer to have an ownership
 17 interest in the property must be included;

18 (5) For the purposes of this subsection (3),
 19 "ownership interest" means any interest in real property,
 20 including but not limited to that of a holder of the fee, a
 21 lessee, licensee, sublessor, sublessee, mortgagee, or a
 22 vendor or vendee under a contract for deed;

23 (6) The time of sale must not be not less than 21 or
 24 more than 28 days from the latter of the date of the mailing
 25 or the first publication of the notice, and the place must

1 ~~be in front of the county treasurer's office;"~~

2 Section 5. Section 15-18-101, MCA, is amended to read:

3 "15-18-101. Time for redemption. (1) A redemption of
4 the property sold may be made by the owner or any party
5 having any interest in or lien upon such property within 36
6 months from the date of purchase for homestead property or
7 within 12 months from the date of purchase for other
8 property or at any time prior to the giving of the notice
9 and the application for a deed as provided in this chapter.

10 (2) For the purposes of this section, "homestead
11 property" means:

12 (a) agricultural land meeting the criteria set forth
13 in 15-7-202; or

14 (b) (i) a single-family dwelling or unit of a
15 multiple-unit dwelling that is property occupied as a
16 principal residence by an owner of any interest in the
17 dwelling, legal or equitable, excluding a leasehold,
18 tenancy, or similar interest or a lien or encumbrance; and

19 (ii) the lot, tract, or parcel of land upon which the
20 dwelling is located."

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24 any tax deed or to quiet title or to determine the rights of
25 a purchaser, including the county, or his successors to real

1 property claimed to have been acquired by reason of tax
2 proceedings or a tax sale, the purchaser or his successor,
3 upon filing an affidavit, may obtain from the court an order
4 directed to the person claiming to own the property or to
5 have any interest in or lien upon said property or a right
6 to redeem the same or claiming rights hostile to the tax
7 title (which person is herein, for convenience, called the
8 true owner), commanding him to:

9 (a) deposit in court to the use of the tax purchaser
10 or his successors:

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12 which would have accrued if said property had been regularly
13 and legally assessed and taxed as the property of said true
14 owner and sold for delinquent taxes and was about to be
15 redeemed by him; and

16 (ii) the amount of all sums reasonably paid thereafter
17 by said purchaser or his successors after ~~3 years~~ from the
18 date of expiration of the redemption period for said tax
19 sale in preserving said property or in making improvements
20 thereon while in possession thereof, as the total amount of
21 said taxes, interest, penalties, and improvements is alleged
22 by the plaintiff and as shall appear in said order; or

23 (b) show cause on a date to be fixed in said order,
24 not exceeding 30 days from the date thereof, why such
25 payments should not be made.

1 (2) Said affidavit shall set forth the place of
 2 residence of said true owners and whether they are in the
 3 state of Montana, if known to the plaintiff, or that the
 4 same is not known to the plaintiff.

5 (3) Said order shall be filed with the clerk and
 6 recorder and a copy served personally upon all persons shown
 7 in said affidavit to be residents of and in the state of
 8 Montana, and jurisdiction shall be acquired over all other
 9 persons by publishing the same once in a newspaper in the
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 17 shall be deemed to convey to the grantee the absolute title
 18 to the lands described therein as of the date of the
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 21 estate, lien, claim, and demand of the state of Montana and
 22 of the county in and to said real estate and including the
 23 right, if said tax deed or tax sale or any of the tax
 24 proceedings upon which said deed may be based shall be
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1 taxes, interest, and penalties which would accrue if said
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 3 redeem said property, free of all encumbrances except the
 4 lien for taxes which may have attached subsequent to the
 5 sale and the lien of any special, local improvement,
 6 irrigation, or drainage assessments levied against the
 7 property, payable after the execution of the tax deed, and
 8 except when the land is owned by the United States or the
 9 state, in which case it is prima facie evidence of the right
 10 of possession accruing as of the date of the expiration of
 11 such period for redemption.

12 (2) If any tax deed or deed purporting to be such has
 13 been or shall be issued more than ~~3 years and~~ 30 days after
 14 the expiration of the redemption period following any tax
 15 sale or attempted tax sale, the grantee may publish in any a
 16 newspaper in the county published at the county seat or, if
 17 none, in any other a newspaper of general circulation in the
 18 county, once a week for 2 weeks, ~~and mail in the manner~~
 19 specified a notice entitled "a notice of claim of a tax
 20 title" which shall set forth a description of any property
 21 claimed to have been acquired by a tax deed; an estimate of
 22 the amount due thereon for taxes, interest, and penalties;
 23 and a statement that for further particulars reference is
 24 made to the records in the office of the county treasurer;
 25 also the name of the person claiming to have obtained a tax

1 deed to said property and the name of the person in whose
 2 name said property was assessed or taxed and a statement
 3 that demand is made that such person shall, within 30 days
 4 after ~~the--latter--of--the--date--of~~ the first publication ~~or~~
 5 ~~mailing~~ of said notice, pay to said claimant or to the
 6 county treasurer to his use the amount of the taxes,
 7 interest, and penalties as the same may appear in the
 8 records of the county treasurer or bring a suit to quiet his
 9 title or to set aside said tax deed or deeds. Any mistake in
 10 the amount or in any name specified in said notice shall not
 11 invalidate the same. ~~The--mailing--must--be--made--on--or--before~~
 12 ~~the--date--of--the--first--publication--of--the--notice--to--all~~
 13 ~~parties--having--an--ownership--interest--in--the--property.~~
 14 ~~(a)--The--parties--are--to--be--identified--and--their--mailing~~
 15 ~~addresses--determined--from--the--real--estate--records--of--the~~
 16 ~~county--in--which--the--property--is--located,--and--other--persons,~~
 17 ~~if--any,--known--to--the--grantee--to--have--an--ownership--interest~~
 18 ~~in--the--property--must--be--included.~~
 19 ~~(b)--For--the--purposes--of--this--subsection--(2),~~
 20 ~~"ownership--interest"--means--any--interest--in--real--property,~~
 21 ~~including--but--not--limited--to--that--of--a--holder--of--the--fee,--a~~
 22 ~~lessee,--licensee,--sublessor,--sublessee,--mortgagee,--or--a~~
 23 ~~vendor--or--vendee--under--a--contract--for--deed.~~
 24 (3) If, within said period of 30 days, said taxes,
 25 interest, and penalties shall not have been paid or said

1 suit brought, all defects in the tax proceedings and any
 2 right of redemption shall be deemed waived and thereupon the
 3 title to said property described in said notice and in the
 4 tax deed shall be valid and binding, irrespective of any
 5 irregularities, defects, or omissions or total failures to
 6 observe any of the provisions of the statutes of Montana
 7 regarding the assessment, levying of taxes, or sale of
 8 property for taxes and the giving of notices including
 9 notices of redemption, whether or not such omissions or
 10 failures make said proceedings void (other than that the
 11 taxes were not delinquent or have been paid)."
 12 NEW SECTION. Section 8. Definitions. Unless the
 13 context indicates otherwise, as used in [sections 9 8
 14 through 13 12], the following definitions apply:
 15 (1) "Improvement fund" means, with respect to any
 16 special assessments, the fund of the municipality into which
 17 collections of the special assessments have been pledged or
 18 appropriated.
 19 (2) "Municipality" means, with respect to special
 20 assessments levied under Title 7, chapter 12, parts 41
 21 through 46, the city or town that levied such assessments.
 22 NEW SECTION. Section 9. Municipality as purchaser.
 23 Whenever property has been struck off to the county at a tax
 24 sale under 15-17-207, is subject to the lien of delinquent
 25 special assessments, and has not been assigned under

1 15-17-208 or 15-17-303, at the request of the municipality
 2 the county treasurer shall assign all of the rights of the
 3 county acquired therein at the sale to the municipality upon
 4 payment of any delinquent taxes (excluding assessments) and
 5 costs, without penalty or interest. The duplicate
 6 certificate of sale must be delivered to the treasurer of
 7 the municipality and filed by him in his office. No charge
 8 may be made for the duplicate certificate when the
 9 municipality is the purchaser, and in such case the county
 10 treasurer shall make an entry "sold to the municipality" on
 11 the assessment book opposite the tax, and he must be
 12 credited with the delinquent amount thereof in the
 13 settlement. Property sold to the municipality must be held
 14 in trust by the municipality for the improvement fund into
 15 which the delinquent special assessments are payable.

16 NEW SECTION. Section 10. Assignment of municipality's
 17 interest. (1) At any time after a parcel of land has been
 18 acquired by a municipality, as provided in [section 10 9],
 19 and has not been redeemed, the treasurer of the municipality
 20 shall assign all the rights of the municipality in the
 21 property to any person who pays:

- 22 (a) the purchase price paid by the municipality;
- 23 (b) the delinquent assessments;
- 24 (c) interest on the purchase price and delinquent
- 25 assessments at the rate of 5/6 of 1% a month; and

1 (d) penalties and costs as provided by law.

2 (2) The treasurer of the municipality shall execute to
 3 such person a certificate of sale for the parcel, which may
 4 be in substantially the form provided in 15-17-303 for the
 5 assignment of the interests of the county. If the
 6 certificate of sale becomes lost or accidentally destroyed
 7 by the assignee, the treasurer of the municipality shall
 8 issue a duplicate certificate to the assignee after the
 9 assignee delivers to the treasurer evidence satisfactory to
 10 him, including an affidavit of the assignee, that the
 11 certificate has been lost or destroyed.

12 (3) An assignment by a municipality under this section
 13 discharges the trust created under [section 10 9]. The
 14 municipality may also discharge the trust created under
 15 [section 10 9] by paying into the improvement fund the
 16 amount of the delinquent assessments and interest accrued
 17 thereon.

18 NEW SECTION. Section 11. Sale or lease and
 19 disposition of proceeds from lands acquired by municipality.
 20 A municipality may sell or lease property it acquires under
 21 [section 10 9] in the same manner as a county may sell or
 22 lease tax-deed property under Title 7, chapter 8, part 23.
 23 All money received by the municipality from the sale or
 24 lease of such land, after payment of the cost of sale, not
 25 to exceed \$25, must be paid into the improvement fund to the

1 extent of the delinquent assessments, interest, and
 2 penalties. The surplus, if any, must be paid into any
 3 revolving fund that secures payment of such special
 4 assessments or, if none, to the general fund of the
 5 municipality.

6 NEW SECTION. Section 12. Taxes and subsequent
 7 installments of special assessments on land acquired by a
 8 municipality. For property that is acquired by a
 9 municipality as provided in [section 10 9], subsequent
 10 installments of the special assessment or assessments, if
 11 any, and other special assessments not then delinquent must
 12 be levied, and taxes for the following years must be
 13 assessed in the same manner as if the property had not been
 14 so acquired. If the special assessments or installments
 15 thereof or taxes are not paid when due, the property must
 16 again be sold in the manner provided by law and the levies
 17 of special assessments, assessments of taxes, and the sale
 18 of the property for delinquent special assessments and taxes
 19 must continue until the time when the property has been
 20 redeemed from such sale.

21 NEW SECTION. Section 13. Codification instruction.
 22 Sections 9 8 through 13 12 are intended to be codified as an
 23 integral part of Title 15, chapter 17, part 3, and the
 24 provisions of Title 15, chapter 17, part 3, apply to
 25 sections 9 8 through 13 12.

1 NEW SECTION. Section 14. Severability. If a part of
 2 this act is invalid, all valid parts that are severable from
 3 the invalid part remain in effect. If a part of this act is
 4 invalid in one or more of its applications, the part remains
 5 in effect in all valid applications that are severable from
 6 the invalid applications.

7 NEW SECTION. Section 15. Applicability. This act
 8 applies to the enforcement of all outstanding and future tax
 9 and assessment liens except those installments of
 10 outstanding special assessments that are delinquent and have
 11 been the subject of a sale for delinquent taxes or
 12 assessments before the effective date of this act.

13 NEW SECTION. Section 16. Effective date. This act is
 14 effective on passage and approval.

-End-

HOUSE BILL NO. 743

INTRODUCED BY SALES, CONNELLY, VINCENT

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A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE LAWS RELATING TO THE SALE OF LANDS FOR DELINQUENT TAXES AND SPECIAL ASSESSMENTS; CHANGING THE TIME PERIOD FOR REDEMPTION FROM SUCH SALES; AMENDING SECTIONS 7-8-2301, 7-12-2163, 7-12-4182, 7-12-4183, ~~15-17-1017~~ 15-18-101, 15-18-401, AND 15-18-403, MCA; AND PROVIDING AN APPLICABILITY PROVISION AND AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 7-8-2301, MCA, is amended to read:
"7-8-2301. Auction sale of county tax-deed land. (1) Whenever the county shall acquire any land by tax deed, it shall be the duty of the board of county commissioners, within 6 months after acquiring title, to make and enter an order for sale of such lands at public auction at the front door of the courthouse.
(2) No sale shall be made for a price less than the fair market value thereof, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land from the unencumbered value of the land, but the minimum sale price

THERE ARE NO CHANGES ON HB 743 AND WILL NOT BE REPRINTED. PEASE REFER SECOND READING (YELLOW) FOR COMPLETE TEXT.



HOUSE BILL NO. 743

INTRODUCED BY SALES, CONNELLY, VINCENT

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE LAWS RELATING TO THE SALE OF LANDS FOR DELINQUENT TAXES AND SPECIAL ASSESSMENTS; CHANGING THE TIME PERIOD FOR REDEMPTION FROM SUCH SALES; AMENDING SECTIONS 7-8-2301, 7-12-2163, 7-12-4182, 7-12-4183, ~~15-17-101~~, 15-18-101, 15-18-401, AND 15-18-403, MCA; AND PROVIDING AN APPLICABILITY PROVISION AND AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Auction sale of county tax-deed land. (1) Whenever the county shall acquire any land by tax deed, it shall be the duty of the board of county commissioners, within 6 months after acquiring title, to make and enter an order for sale of such lands at public auction at the front door of the courthouse.

(2) No sale shall be made for a price less than the fair market value thereof, as determined and fixed by the board prior to making the order of sale. In determining fair market value, the board shall subtract the amount of outstanding assessments that are a lien on the land from the unencumbered value of the land, but the minimum sale price

for a parcel of land may not be less than \$10.

(3) If no bids are received at a sale of tax-deed land, the board shall order another auction sale of such land under this part within 6 months and shall, if required by the circumstances, redetermine the fair market value of the land under subsection (2)."

Section 2. Section 7-12-2163, MCA, is amended to read:

"7-12-2163. Collection of district assessments by county treasurer -- delinquencies. (1) Where any resolution of assessment, either for construction or maintenance, has been duly certified by the county clerk, it shall be the duty of the county treasurer, in accordance with the provisions of this title, to collect such assessment in the same manner and at the same time as taxes for general and municipal purposes are collected by him.

(2) When the payment of an installment of a special assessment becomes delinquent, all payments of subsequent installments of the special assessment may, at the option of the board of county commissioners and upon adoption of the appropriate resolutions, become delinquent. Upon delinquency in one or all installments, the whole property must be sold the same as other property is sold for taxes. The enforcement of the lien of any installment of a special assessment by any method authorized by law does not prevent the enforcement of the lien of any subsequent installment

1 when it becomes delinquent."

2 Section 3. Section 7-12-4182, MCA, is amended to read:

3 "7-12-4182. Collection of district assessments by city
4 treasurer in cities collecting their own taxes --
5 delinquencies. (1) In every city or town which shall provide
6 by ordinance for the collection of its taxes for general,
7 municipal, and administrative purposes by its city treasurer
8 or town clerk, such city treasurer or town clerk shall
9 collect all special assessments and taxes levied and
10 assessed in accordance with any of the provisions of this
11 part and part 42 in the same manner and at the same time as
12 said taxes for general, municipal, and administrative
13 purposes are collected by him. All of the provisions of
14 7-6-4423 shall apply to the collection of such special taxes
15 and assessments in the same manner as such provisions apply
16 to the collection of other city or town taxes.

17 (2) When one the payment of an installment of a
18 special assessment becomes delinquent, all payments shall of
19 subsequent installments may, at the option of the city or
20 town council and by upon adoption of the appropriate
21 resolutions duly--adopted, become delinquent, and Upon
22 delinquency in one or all installments, the whole property
23 shall be sold the same as other property is sold for taxes.
24 The enforcement of the lien of any installment of a special
25 assessment by any method authorized by law does not prevent

1 the enforcement of the lien of any subsequent installment
2 when it becomes delinquent."

3 Section 4. Section 7-12-4183, MCA, is amended to read:

4 "7-12-4183. Collection of district assessments by city
5 treasurer in cities where county collects taxes. (1) In any
6 city or town where taxes for general, municipal, and
7 administrative purposes are certified to and collected by
8 the county treasurer in accordance with the provisions of
9 7-6-4407 and 7-6-4423, the city or town may, nevertheless,
10 provide by ordinance for the collection by its city
11 treasurer or town clerk of all special assessments and taxes
12 levied and assessed in accordance with any of the provisions
13 of this part and part 42 in the same manner and at the same
14 time as said taxes for general, municipal, and
15 administrative purposes are collected by the county
16 treasurer. All of the provisions of 7-6-4423 shall apply to
17 the collection of such special taxes and assessments in the
18 same manner as such provisions apply to the collection of
19 other city or town taxes.

20 (2) When the payment of any one installment of any
21 special assessment becomes delinquent, all payments of
22 subsequent installments shall, at the option of the city or
23 town council and by appropriate resolution duly adopted,
24 become delinquent. Such delinquent special assessments shall
25 be certified to the county clerk of the county in which such

1 city or town is situated, and the county treasurer must
 2 collect such delinquent special assessments and taxes in the
 3 same manner and at the same time as said taxes for general,
 4 municipal, and administrative purposes are collected by him.
 5 In case the same are not paid, the whole property shall be
 6 sold, the same as other property is sold for taxes. The
 7 enforcement of the lien of any installment of a special
 8 assessment by any method authorized by law does not prevent
 9 the enforcement of the lien of any subsequent installment
 10 when it becomes delinquent."

11 Section 5, Section 15-17-101, MCA, is amended to read:

12 "15-17-101. Publication of notice of tax sales. (1)
 13 On or before the last Monday of June of each year, the
 14 county treasurer must publish and mail in the manner and for
 15 the time prescribed in this section a notice specifying
 16 stating:

17 (a) that at a given time and place (to be designated
 18 in the notice), all property in the county upon which
 19 delinquent taxes are a lien will be sold at public auction
 20 unless prior to said time said delinquent taxes, together
 21 with all interest, penalties, and costs due thereon, are
 22 paid; and

23 (b) that a complete delinquent list of all persons and
 24 property in the county now owing taxes, including all city
 25 and town property as to which taxes or taxes and assessments

1 are delinquent, is on file in the office of the county
 2 treasurer and is subject to public inspection and
 3 examination;

4 (2) The publication must be made once a week for 3
 5 successive weeks in such newspaper published in the county
 6 as the board of county commissioners directs; if there is no
 7 newspaper published in the county, then by posting the
 8 notice in three public places;

9 (3) The publication must designate the time and place
 10 of sale. The mailing must be made to all parties having an
 11 ownership interest in each lot, tract, or parcel of land for
 12 which taxes or assessments are delinquent;

13 (a) The parties are to be identified and their mailing
 14 addresses determined from the real estate records of the
 15 county in which the land is located, and other persons, if
 16 any, known by the county treasurer to have an ownership
 17 interest in the property must be included;

18 (b) For the purposes of this subsection (3),
 19 "ownership interest" means any interest in real property,
 20 including but not limited to that of a holder of the fee, a
 21 lessee, licensee, sublessor, sublessee, mortgagee, or a
 22 vendor or vendee under a contract for deed;

23 (4) The time of sale must not be not less than 21 or
 24 more than 28 days from the latter of the date of the mailing
 25 or the first publication of the notice, and the place must

1 ~~be in front of the county treasurer's office."~~

2 Section 5. Section 15-18-101, MCA, is amended to read:

3 "15-18-101. Time for redemption. (1) A EXCEPT AS
4 PROVIDED IN SUBSECTION (2), A redemption of the property
5 sold may be made by the owner or any party having any
6 interest in or lien upon such property within 36 months from
7 the date of purchase for homestead property or within 12 18
8 months from the date of purchase for other property or at
9 any time prior to the giving of the notice and the
10 application for a deed as provided in this chapter.

11 ~~(2) For the purposes of this section, "homestead~~
12 ~~property" means:~~

13 ~~(a) agricultural land meeting the criteria set forth~~
14 ~~in 15-7-202, or~~

15 ~~(b) (i) a single family dwelling or unit of a~~
16 ~~multiple unit dwelling that is property occupied as a~~
17 ~~principal residence by an owner of any interest in the~~
18 ~~dwelling, legal or equitable, excluding a leasehold,~~
19 ~~tenancy, or similar interest or a lien or encumbrance; and~~

20 ~~(ii) the lot, tract, or parcel of land upon which the~~
21 ~~dwelling is located; A REDEMPTION OF PROPERTY SUBDIVIDED AS~~
22 ~~A RESIDENTIAL OR COMMERCIAL LOT UPON WHICH TAXES OR SPECIAL~~
23 ~~ASSESSMENTS ARE DELINQUENT AND UPON WHICH NO HABITABLE~~
24 ~~DWELLING OR COMMERCIAL STRUCTURE IS SITUATED MAY BE MADE BY~~
25 ~~THE OWNER OR ANY PARTY HAVING ANY INTEREST IN OR LIEN UPON~~

1 SUCH PROPERTY WITHIN 18 MONTHS FROM THE DATE OF PURCHASE OR
2 AT ANY TIME PRIOR TO THE GIVING OF THE NOTICE AND THE
3 APPLICATION FOR A DEED AS PROVIDED IN THIS CHAPTER."

4 Section 6. Section 15-18-401, MCA, is amended to read:

5 "15-18-401. Action to quiet title to tax deed property
6 -- notice. (1) In any action brought to set aside or annul
7 any tax deed or to quiet title or to determine the rights of
8 a purchaser, including the county, or his successors to real
9 property claimed to have been acquired by reason of tax
10 proceedings or a tax sale, the purchaser or his successor,
11 upon filing an affidavit, may obtain from the court an order
12 directed to the person claiming to own the property or to
13 have any interest in or lien upon said property or a right
14 to redeem the same or claiming rights hostile to the tax
15 title (which person is herein, for convenience, called the
16 true owner), commanding him to:

17 (a) deposit in court to the use of the tax purchaser
18 or his successors:

19 (i) the amount of all taxes, interest, and penalties
20 which would have accrued if said property had been regularly
21 and legally assessed and taxed as the property of said true
22 owner and sold for delinquent taxes and was about to be
23 redeemed by him; and

24 (ii) the amount of all sums reasonably paid thereafter
25 by said purchaser or his successors after 3 years from the

1 ~~date--of~~ expiration of the redemption period for said tax
 2 sale in preserving said property or in making improvements
 3 thereon while in possession thereof, as the total amount of
 4 said taxes, interest, penalties, and improvements is alleged
 5 by the plaintiff and as shall appear in said order; or

6 (b) show cause on a date to be fixed in said order,
 7 not exceeding 30 days from the date thereof, why such
 8 payments should not be made.

9 (2) Said affidavit shall set forth the place of
 10 residence of said true owners and whether they are in the
 11 state of Montana, if known to the plaintiff, or that the
 12 same is not known to the plaintiff.

13 (3) Said order shall be filed with the clerk and
 14 recorder and a copy served personally upon all persons shown
 15 in said affidavit to be residents of and in the state of
 16 Montana, and jurisdiction shall be acquired over all other
 17 persons by publishing the same once in a newspaper in the
 18 county and by posting the same in three public places in the
 19 county at least 10 days before the day fixed for the hearing
 20 and by leaving a copy with the county treasurer."

21 Section 7. Section 15-18-403, MCA, is amended to read:

22 "15-18-403. Title conveyed by deed -- procedure to
 23 cure defects. (1) All deeds executed ~~more-than-3-years~~
 24 the expiration of the redemption period for any tax sale
 25 shall be deemed to convey to the grantee the absolute title

1 to the lands described therein as of the date of the
 2 expiration of ~~3--years--following--the--date--of--sale~~ the
 3 redemption period, including all the right, title, interest,
 4 estate, lien, claim, and demand of the state of Montana and
 5 of the county in and to said real estate and including the
 6 right, if said tax deed or tax sale or any of the tax
 7 proceedings upon which said deed may be based shall be
 8 attacked and held irregular or void, to recover the unpaid
 9 taxes, interest, and penalties which would accrue if said
 10 tax proceedings had been regular and it was desired to
 11 redeem said property, free of all encumbrances except the
 12 lien for taxes which may have attached subsequent to the
 13 sale and the lien of any special, local improvement,
 14 irrigation, or drainage assessments levied against the
 15 property, payable after the execution of the tax deed, and
 16 except when the land is owned by the United States or the
 17 state, in which case it is prima facie evidence of the right
 18 of possession accruing as of the date of the expiration of
 19 such period for redemption.

20 (2) If any tax deed or deed purporting to be such has
 21 been or shall be issued more than ~~3-years-and~~ 30 days after
 22 the expiration of the redemption period following any tax
 23 sale or attempted tax sale, the grantee may publish in ~~any a~~
 24 newspaper in the county published at the county seat or, if
 25 none, in ~~any-other a~~ newspaper of general circulation in the

1 ~~county, once a week for 2 weeks, and mail in the manner~~
 2 ~~specified~~ a notice entitled "a notice of claim of a tax
 3 title" which shall set forth a description of any property
 4 claimed to have been acquired by a tax deed; an estimate of
 5 the amount due thereon for taxes, interest, and penalties;
 6 and a statement that for further particulars reference is
 7 made to the records in the office of the county treasurer;
 8 also the name of the person claiming to have obtained a tax
 9 deed to said property and the name of the person in whose
 10 name said property was assessed or taxed and a statement
 11 that demand is made that such person shall, within 30 days
 12 after ~~the latter of the date of~~ the first publication ~~or~~
 13 ~~mailing~~ of said notice, pay to said claimant or to the
 14 county treasurer to his use the amount of the taxes,
 15 interest, and penalties as the same may appear in the
 16 records of the county treasurer or bring a suit to quiet his
 17 title or to set aside said tax deed or deeds. Any mistake in
 18 the amount or in any name specified in said notice shall not
 19 invalidate the same. ~~The mailing must be made on or before~~
 20 ~~the date of the first publication of the notice to all~~
 21 ~~parties having an ownership interest in the property.~~
 22 ~~(a) The parties are to be identified and their mailing~~
 23 ~~addresses determined from the real estate records of the~~
 24 ~~county in which the property is located, and other persons,~~
 25 ~~if any, known to the grantee to have an ownership interest~~

1 ~~in the property must be included.~~
 2 ~~(b) For the purposes of this subsection (2),~~
 3 ~~"ownership interest" means any interest in real property,~~
 4 ~~including but not limited to that of a holder of the fee, a~~
 5 ~~lessee, licensee, sublessor, sublessee, mortgagee, or a~~
 6 ~~vendor or vendee under a contract for deed.~~
 7 (3) If, within said period of 30 days, said taxes,
 8 interest, and penalties shall not have been paid or said
 9 suit brought, all defects in the tax proceedings and any
 10 right of redemption shall be deemed waived and thereupon the
 11 title to said property described in said notice and in the
 12 tax deed shall be valid and binding, irrespective of any
 13 irregularities, defects, or omissions or total failures to
 14 observe any of the provisions of the statutes of Montana
 15 regarding the assessment, levying of taxes, or sale of
 16 property for taxes and the giving of notices including
 17 notices of redemption, whether or not such omissions or
 18 failures make said proceedings void (other than that the
 19 taxes were not delinquent or have been paid)."
 20 NEW SECTION. Section 8. Definitions. Unless the
 21 context indicates otherwise, as used in [sections 9 8
 22 through 13 12], the following definitions apply:
 23 (1) "Improvement fund" means, with respect to any
 24 special assessments, the fund of the municipality into which
 25 collections of the special assessments have been pledged or

1 appropriated.

2 (2) "Municipality" means, with respect to special
3 assessments levied under Title 7, chapter 12, parts 41
4 through 46, the city or town that levied such assessments.

5 NEW SECTION. Section 9. Municipality as purchaser.
6 Whenever property has been struck off to the county at a tax
7 sale under 15-17-207, is subject to the lien of delinquent
8 special assessments, and has not been assigned under
9 15-17-208 or 15-17-303, at the request of the municipality
10 the county treasurer shall assign all of the rights of the
11 county acquired therein at the sale to the municipality upon
12 payment of any delinquent taxes (excluding assessments) and
13 costs, without penalty or interest. The duplicate
14 certificate of sale must be delivered to the treasurer of
15 the municipality and filed by him in his office. No charge
16 may be made for the duplicate certificate when the
17 municipality is the purchaser, and in such case the county
18 treasurer shall make an entry "sold to the municipality" on
19 the assessment book opposite the tax, and he must be
20 credited with the delinquent amount thereof in the
21 settlement. Property sold to the municipality must be held
22 in trust by the municipality for the improvement fund into
23 which the delinquent special assessments are payable.

24 NEW SECTION. Section 10. Assignment of municipality's
25 interest. (1) At any time after a parcel of land has been

1 acquired by a municipality, as provided in [section ~~10~~ 9],
2 and has not been redeemed, the treasurer of the municipality
3 shall assign all the rights of the municipality in the
4 property to any person who pays:

- 5 (a) the purchase price paid by the municipality;
- 6 (b) the delinquent assessments;
- 7 (c) interest on the purchase price and delinquent
8 assessments at the rate of 5/6 of 1% a month; and
- 9 (d) penalties and costs as provided by law.

10 (2) The treasurer of the municipality shall execute to
11 such person a certificate of sale for the parcel, which may
12 be in substantially the form provided in 15-17-303 for the
13 assignment of the interests of the county. If the
14 certificate of sale becomes lost or accidentally destroyed
15 by the assignee, the treasurer of the municipality shall
16 issue a duplicate certificate to the assignee after the
17 assignee delivers to the treasurer evidence satisfactory to
18 him, including an affidavit of the assignee, that the
19 certificate has been lost or destroyed.

20 (3) An assignment by a municipality under this section
21 discharges the trust created under [section ~~10~~ 9]. The
22 municipality may also discharge the trust created under
23 [section ~~10~~ 9] by paying into the improvement fund the
24 amount of the delinquent assessments and interest accrued
25 thereon.

1 NEW SECTION. Section 11. Sale or lease and
 2 disposition of proceeds from lands acquired by municipality.
 3 A municipality may sell or lease property it acquires under
 4 [section ~~10~~ 9] in the same manner as a county may sell or
 5 lease tax-deed property under Title 7, chapter 8, part 23.
 6 All money received by the municipality from the sale or
 7 lease of such land, after payment of the cost of sale, not
 8 to exceed \$25, must be paid into the improvement fund to the
 9 extent of the delinquent assessments, interest, and
 10 penalties. The surplus, if any, must be paid into any
 11 revolving fund that secures payment of such special
 12 assessments or, if none, to the general fund of the
 13 municipality.

14 NEW SECTION. Section 12. Taxes and subsequent
 15 installments of special assessments on land acquired by a
 16 municipality. For property that is acquired by a
 17 municipality as provided in [section ~~10~~ 9], subsequent
 18 installments of the special assessment or assessments, if
 19 any, and other special assessments not then delinquent must
 20 be levied, and taxes for the following years must be
 21 assessed in the same manner as if the property had not been
 22 so acquired. If the special assessments or installments
 23 thereof or taxes are not paid when due, the property must
 24 again be sold in the manner provided by law and the levies
 25 of special assessments, assessments of taxes, and the sale

1 of the property for delinquent special assessments and taxes
 2 must continue until the time when the property has been
 3 redeemed from such sale.

4 NEW SECTION. Section 13. Codification instruction.
 5 Sections 9 ~~8~~ through ~~13~~ 12 are intended to be codified as an
 6 integral part of Title 15, chapter 17, part 3, and the
 7 provisions of Title 15, chapter 17, part 3, apply to
 8 sections 9 ~~8~~ through ~~13~~ 12.

9 NEW SECTION. SECTION 14. COORDINATION INSTRUCTION. IF
 10 SENATE BILL NO. 162, INCLUDING REPEAL OF 15-18-101,
 11 15-18-401, AND 15-18-403, IS PASSED AND APPROVED, SECTIONS 6
 12 AND 7 OF THIS ACT ARE VOID AND SECTION 16 OF SENATE BILL NO.
 13 162, RELATING TO TIME FOR REDEMPTION, IS AMENDED AS FOLLOWS
 14 (3RD READING COPY OF SB 162):

15 1:--PAGE-167-BLINE-24:
 16 FOLOWING:--"LATER"
 17 INSERT:--"-FOR-HOMESTEAD-PROPERTY-OR-WITHIN-18--MONTHS
 18 FROM-THE-DATE-OF-PURCHASE-FOR-OTHER-PROPERTY"
 19 2:--PAGE-167-BLINE-25:
 20 FOLOWING:--"26"
 21 INSERT:--"-(A)"
 22 3:--PAGE-177-FOLOWING-BLINE-8:
 23 INSERT:--"-(B)--"HOMESTEAD-PROPERTY"-MEANS:
 24 {1}-AGRICULTURAL-LAND-MEETING-THE-CRITERIA-SET-FORTH
 25 IN-15-7-2027-OR

1 (11)-(A)-A--SINGLE-FAMILY--DWELLING--OR---UNIT---OF---A
2 MULTIPLE-UNIT--DWELLING--THAT--IS--PROPERTY--OCCUPIED--AS--A
3 PRINCIPAL-RESIDENCE-BY-AN--OWNER--OF--ANY--INTEREST--IN--THE
4 DWELLING,---LEGAL---OR--EQUITABLE,--EXCLUDING--A--LEASEHOLD,
5 TENANCY,--OR-SIMILAR-INTEREST-OR-A-LIEN-OR--ENCUMBRANCE,--AND
6 (B)--THE--LOT,--TRACT,--OR-PARCEL--OF-LAND-UPON-WHICH-THE
7 DWELLING-IS-LOCATED."
8 1. PAGE 16, LINE 18.
9 FOLLOWING: "(1)"
10 STRIKE: "REDEMPTION"
11 INSERT: "EXCEPT AS PROVIDED IN SUBSECTION (2),
12 REDEMPTION"
13 2. PAGE 16.
14 FOLLOWING: LINE 24
15 INSERT: "(2) FOR PROPERTY SUBDIVIDED AS A RESIDENTIAL
16 OR COMMERCIAL LOT UPON WHICH TAXES OR SPECIAL ASSESSMENTS
17 ARE DELINQUENT AND UPON WHICH NO HABITABLE DWELLING OR
18 COMMERCIAL STRUCTURE IS SITUATED, REDEMPTION OF A PROPERTY
19 TAX LIEN ACQUIRED AT A TAX SALE OR OTHERWISE MAY BE MADE BY
20 THE OWNER, THE HOLDER OF AN UNRECORDED OR IMPROPERLY
21 RECORDED INTEREST, OR ANY INTERESTED PARTY WITHIN 18 MONTHS
22 FROM THE DATE OF THE FIRST DAY OF THE TAX SALE OR WITHIN 60
23 DAYS FOLLOWING THE GIVING OF THE NOTICE REQUIRED IN [SECTION
24 21], WHICHEVER IS LATER."
25 RENUMBER: SUBSEQUENT SUBSECTION AND SUBSEQUENT SECTIONS

1 NEW SECTION. Section 15. Severability. If a part of
2 this act is invalid, all valid parts that are severable from
3 the invalid part remain in effect. If a part of this act is
4 invalid in one or more of its applications, the part remains
5 in effect in all valid applications that are severable from
6 the invalid applications.
7 NEW SECTION. Section 16. Applicability. This act
8 applies to the enforcement of all outstanding and future tax
9 and assessment liens except those installments of
10 outstanding special assessments that are delinquent and have
11 been the subject of a sale for delinquent taxes or
12 assessments before the effective date of this act.
13 NEW SECTION. Section 17. Effective date. This act is
14 effective on passage and approval.

-End-

STANDING COMMITTEE REPORT

HB 743
Page 2 of 2

SENATE

HB743.SCR

April 11, 1987

April 11, 1987

MR. PRESIDENT

TAXATION

We, your committee on
HOUSE BILL No. 743
having had under consideration
third reading copy (blue color)

AMEND PROPERTY TAX AND ASSESSMENT SALE -- REDEMPTION TIME BASED ON HOMESTEAD

Respectfully report as follows: That House Bill No. 743

BE AMENDED AS FOLLOWS:

1. Page 7, line 7.
Following: "within"
Strike: "12"
Insert: "18"

2. Page 15, following line 25.
Insert: "NEW SECTION. Section 14. Coordination instruction. If Senate Bill No. 162, including repeal of 15-18-101, 15-18-401, and 15-18-403, is passed and approved, sections 6 and 7 of this act are void and section 16 of Senate Bill No. 162, relating to time for redemption, is amended as follows (3rd reading copy of SB162):

1. Page 16, line 24.
Following: "later"
Insert: ", for homestead property or within 18 months from the date of purchase for other property"

2. Page 16, line 25.
Following: "26]"
Strike: ", "
Insert: ": (a) "

3. Page 17, following line 8.
Insert: "(b) "homestead property" means:
(i) agricultural land meeting the criteria set forth in 15-7-202; or
(ii) (A) a single-family dwelling or unit of a multiple-unit dwelling that is property occupied as a principal residence by an owner of any interest in the dwelling, legal or equitable, excluding a leasehold, tenancy, or similar interest or a lien or encumbrance; and
(B) the lot, tract, or parcel of land upon which the dwelling is located."

Renumber: subsequent sections

~~XXXXXX~~

George M. Callum
CONTINUED Chairman

KAC
4-11-87

AND AS AMENDED,
BE CONCURRED IN

George M. Callum
Senator McCaillum, Chairman

4-14-87

DATE

4:14

TIME

SENATE

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. 743third reading copy (blue) as follows:
Color

1. Page 7, line 3.

Following: "(1)"

Strike: "A"

Insert: "Except as provided in subsection (2), a"

2. Page 7, lines 10 through 20.

Following: "(2)" on line 10

Strike: remainder of line 10 through end of line 20

Insert: "A redemption of property subdivided as a residential or commercial lot upon which taxes or special assessments are delinquent, and upon which no habitable dwelling or commercial structure is situated, may be made by the owner or any party having any interest in or lien upon such property within 18 months from the date of purchase or at any time prior to the giving of the notice and the application for a deed as provided in this chapter."

Amend HB743, SCR dated April 11, 1987

In the Coordination Instruction added by Amendment No. 2, amend as follows:

Strike: the three amendments to Senate Bill No. 162

Insert: "1. Page 16, line 18.

Following: "(1)"

Strike: "Redemption"

Insert: "Except as provided in subsection (2), redemption"

2. Page 16.

Following: line 24

Insert: "(2) For property subdivided as a residential or commercial lot upon which taxes or special assessments are delinquent, and upon which no habitable dwelling or commercial structure is situated, redemption of a property tax lien acquired at a tax sale or otherwise may be made by the owner, the holder of an unrecorded or improperly recorded interest, or any interested party within 18 months from the date of the first day of the tax sale or within 60 days following the giving of the notice required in [section 21], whichever is later."

Renumber: subsequent subsection and subsequent sections"

ADOPT

REJECT

jhl/hb743cw.txt (dw3)

Senator Eck