

HOUSE BILL 263

Introduced by Hannah, et al.

1/17	Introduced
1/18	Referred to Taxation
1/19	Fiscal Note Requested
1/25	Hearing
1/25	Fiscal Note Received
1/27	Fiscal Note Printed
3/16	Tabled in Committee

1 *House* BILL NO. *263*  
 2 INTRODUCED BY *Sen. J. Reihman, Sen. J. Rammer*  
 3 *Sen. C. HARP, Sen. M. Hodge, Sen. M. Hodge*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A 1-YEAR  
 5 EXTENSION OF THE PROPERTY TAX LIEN REDEMPTION PERIOD FOR  
 6 EACH TIME PARTIAL PAYMENT OF DELINQUENT PROPERTY TAXES IS  
 7 MADE PURSUANT TO SECTION 15-16-102, MCA; AMENDING SECTIONS  
 8 15-16-102, 15-18-111, AND 15-18-212, MCA; AND PROVIDING AN  
 9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY  
 10 DATE."  
 11

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

13 **Section 1.** Section 15-16-102, MCA, is amended to read:  
 14 "15-16-102. Time for payment -- penalty for  
 15 delinquency. All taxes levied and assessed in the state of  
 16 Montana, except assessments made for special improvements in  
 17 cities and towns payable under 15-16-103 and assessments  
 18 made on interim production and new production as provided in  
 19 Title 15, chapter 23, part 6, and payable under 15-16-121,  
 20 shall be payable 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 or  
 23 within 30 days after the tax notice is postmarked, whichever  
 24 is later, and one-half on or before 5 p.m. on May 31 of each  
 25 year.

1 (2) Unless one-half of such taxes are paid on or  
 2 before 5 p.m. on November 30 of each year or within 30 days  
 3 after the tax notice is postmarked, whichever is later, then  
 4 such amount so payable shall become delinquent and shall  
 5 draw interest at the rate of 5/6 of 1% per month from and  
 6 after such delinquency until paid and 2% shall be added to  
 7 the delinquent taxes as a penalty.

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

13 (4) If the date on which taxes are due falls on a  
 14 holiday or Saturday, taxes may be paid without penalty or  
 15 interest on or before 5 p.m. of the next business day in  
 16 accordance with 1-1-307.

17 (5) If the taxes become delinquent, the county  
 18 treasurer may must accept a partial payment equal to the  
 19 delinquent taxes, including penalty and interest, for one or  
 20 more full taxable years, provided both halves of the current  
 21 tax year have been paid. Payment of delinquent taxes must be  
 22 applied to the taxes that have been delinquent the longest.  
 23 Partial payment of delinquent taxes extends the period of  
 24 redemption as set forth in 15-18-111."

25 **Section 2.** Section 15-18-111, MCA, is amended to read:

**\*15-18-111. Time for redemption -- interested party.**

(1) Except as provided in subsection subsections (2) and (3), 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, the occupant of the property, or any interested party within 36 months from the date of the first day of the tax sale or within 60 days following the giving of the notice required in 15-18-212, whichever is later.

(2) For Except as provided in subsection (3), 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 15-18-212, whichever is later.

(3) The property tax lien redemption periods set forth in subsections (1) and (2) are extended for 1 year each time partial payment of delinquent property taxes is made pursuant to 15-16-102.

~~(3)~~(4) For the purposes of this chapter, an "interested party" includes a mortgagee, vendor of a

contract for deed or his successor in interest, lienholder, or other person who has a properly recorded interest in the property. A person having an interest in property on which there is a property tax lien but which interest is not properly recorded is not an interested party for the purposes of this chapter."

**Section 3.** Section 15-18-212, MCA, is amended to read:

\*15-18-212. Notice -- proof of notice -- penalty for failure to notify. (1) Not more than 60 days prior to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, including an additional 1-year period each time partial payment of delinquent taxes is made pursuant to 15-16-102, a notice must be given as follows:

(a) for each property for which there has been issued to the county a tax sale certificate or for which the county is otherwise listed as the purchaser or assignee, the county clerk shall notify all persons considered interested parties in the property and the current occupant of the property, if any, that a tax deed may be issued to the county unless the property tax lien is redeemed prior to the expiration date of the redemption period; or

(b) for each property for which there has been issued a tax sale certificate to a purchaser other than the county or for which an assignment has been made, the purchaser or

1 assignee, as appropriate, shall notify all persons  
2 considered interested parties in the property, if any, that  
3 a tax deed will be issued to the purchaser or assignee  
4 unless the property tax lien is redeemed prior to the  
5 expiration date of the redemption period.

6 (2) (a) Except as provided in subsection (2)(b), if  
7 the county is the purchaser, no assignment has been made,  
8 and the board of county commissioners has not directed the  
9 county treasurer to issue a tax deed during the period  
10 described in subsection (1) but the board of county  
11 commissioners at a time subsequent to the period described  
12 in subsection (1) does direct the county treasurer to issue  
13 a tax deed, the county clerk must provide notification to  
14 all interested parties and the current occupant, if any, in  
15 the manner provided in subsection (1)(a). The notification  
16 required under this subsection must be made not less than 60  
17 days or more than 90 days prior to the date on which the  
18 county treasurer will issue the tax deed.

19 (b) If the county commissioners direct the county  
20 treasurer to issue a tax deed within 6 months after giving  
21 the notice required by subsection (1)(a), no additional  
22 notice need be given.

23 (3) (a) If a purchaser other than the county or an  
24 assignee fails or neglects to give notice as required by  
25 subsection (1)(b), which failure or neglect is evidenced by

1 failure of the purchaser or assignee to file proof of notice  
2 with the county clerk as required in subsection (7), the  
3 county treasurer shall proceed to give notice in the manner  
4 provided in subsection (1)(a).

5 (b) Notice given under this subsection (3) must be  
6 given not less than 60 days or more than 90 days prior to  
7 the date on which the county treasurer will issue the tax  
8 deed.

9 (c) A purchaser or assignee who fails to give notice  
10 as required by subsection (1)(b), thereby forcing  
11 notification to be given under this subsection (3), must be  
12 charged a penalty of \$500 plus all actual costs of  
13 notification incurred by the county proceeding under this  
14 subsection (3).

15 (4) The notice required under subsections (1) through  
16 (3) must be made by certified mail to each interested party  
17 and the current occupant, if any, of the property. The  
18 address to which the notice must be sent is, for each  
19 interested party, the address disclosed by the records in  
20 the office of the county clerk and, for the occupant, the  
21 street address or other known address of the subject  
22 property.

23 (5) In all cases in which the address of an interested  
24 party is not known, the person required to give notice  
25 shall, within the period described in subsection (1) or not

1 less than 60 days or more than 90 days prior to the date  
 2 upon which the county treasurer will otherwise issue a tax  
 3 deed, whichever is appropriate, publish once a week for 2  
 4 successive weeks, in the official newspaper of the county or  
 5 such other newspaper as the board of county commissioners  
 6 may by resolution designate, a notice containing the  
 7 information contained in subsection (6), plus:

8 (a) the name of the interested party for whom the  
 9 address is unknown;

10 (b) a statement that the address of the interested  
 11 party is unknown;

12 (c) a statement that the published notice meets the  
 13 legal requirements for notice of a pending tax deed  
 14 issuance; and

15 (d) a statement that the interested party's rights in  
 16 the property may be in jeopardy.

17 (6) The notices required by subsections (1) through  
 18 (3) and (5) must contain the following:

19 (a) a statement that a property tax lien exists on the  
 20 property as a result of a property tax delinquency;

21 (b) a description of the property on which the taxes  
 22 are or were delinquent, which description must be the same  
 23 as the description of the property on the tax sale  
 24 certificate or in the record described in 15-17-214(2)(b);

25 (c) the date that the property taxes became

1 delinquent;

2 (d) the date that the property tax lien attached as  
 3 the result of a tax sale;

4 (e) the amount of taxes due, including penalties,  
 5 interest, and costs, as of the date of the notice of pending  
 6 tax deed issuance, which amount must include a separate  
 7 listing of the delinquent taxes, penalties, interest, and  
 8 costs that must be paid for the property tax lien to be  
 9 totally liquidated;

10 (f) the minimum partial payment of delinquent taxes,  
 11 including penalties, interest, and costs, that may be paid  
 12 in order to extend the period of redemption of the property  
 13 tax lien;

14 (f)(g) the name and address of the purchaser;

15 (g)(h) the name of the assignee if an assignment was  
 16 made as provided in 15-17-323;

17 (h)(i) the date that the redemption period expires or  
 18 expired;

19 (i)(j) a statement that if ~~all~~ the minimum partial  
 20 payment of taxes, penalties, interest, and costs are is not  
 21 paid to the county treasurer on or prior to the date on  
 22 which the redemption period expires or on or prior to the  
 23 date on which the county treasurer will otherwise issue a  
 24 tax deed that a tax deed may be issued to the purchaser on  
 25 the day following the date on which the redemption period

1 expires or on the date on which the county treasurer will  
2 otherwise issue a tax deed; and

3 ~~fj~~(k) the business address and telephone number of  
4 the county treasurer who is responsible for issuing the tax  
5 deed.

6 (7) In all cases, proof of notice in whatever manner  
7 given must be filed by the county clerk, county treasurer,  
8 purchaser, or assignee, as appropriate, with the county  
9 clerk not less than 30 days following the mailing or  
10 publication of the notice. Once filed, the proof of notice  
11 is prima facie evidence of the sufficiency of the notice.

12 (8) A county or any officer of a county may not be  
13 held liable for any error of notification.

14 (9) If the minimum partial payment of delinquent taxes  
15 is made in accordance with 15-16-102, the period for  
16 redemption of a property tax lien is extended for 1 year for  
17 each partial payment and the procedures of this section must  
18 be complied with again in relation to the expiration of the  
19 redemption period extension before a tax deed may be  
20 issued."

21 NEW SECTION. Section 4. Extension of authority. Any  
22 existing authority to make rules on the subject of the  
23 provisions of [this act] is extended to the provisions of  
24 [this act].

25 NEW SECTION. Section 5. Effective date -- retroactive

1 applicability. [This act] is effective on passage and  
2 approval and applies retroactively, within the meaning of  
3 1-2-109, to property tax payments tendered on or after July  
4 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB263, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for a 1 year extension of the property tax lien redemption period for each time partial payment of delinquent property taxes is made pursuant to section 15-16-102 MCA; and providing an immediate effective date and retroactive applicability date.

Revenue Impact:

The Department of Revenue does not have adequate information with which to estimate the amount of revenue impact associated with the proposal.

Expenditure Impact:

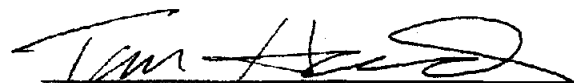
Administrative costs to the Department of Revenue will be absorbed without additional funding.



RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

1/25/89

DATE



TOM HANNAH, PRIMARY SPONSOR

1/26/89

DATE

Fiscal Note for HB263, as introduced

**HB 263**