

HOUSE BILL 268

Introduced by Guthrie, et al.

1/17	Introduced
1/18	Referred to Taxation
1/19	Fiscal Note Requested
1/25	Fiscal Note Received
1/26	Fiscal Note Printed
1/27	Hearing
3/16	Tabled in Committee

1 House BILL NO. 268
2 INTRODUCED BY Butler Vincent
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE PENALTY
5 FOR DELINQUENT PROPERTY TAX PAYMENT FROM 2 PERCENT TO A
6 PENALTY BASED ON THE AMOUNT OF UNPAID DELINQUENT PROPERTY
7 TAXES; AMENDING SECTIONS 15-16-101 AND 15-16-102, MCA; AND
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY
9 DATE."
10

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

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

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

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

25 (b) that one-half of all taxes levied and assessed

1 will be due and payable on or before 5 p.m. on May 31 next
2 thereafter and that unless paid prior to that time the taxes
3 will be delinquent and will draw interest at the rate of 5/6
4 of 1% per month from and after such delinquency until paid
5 and 2% the appropriate penalty rate provided in [section 3]
6 will be added to the delinquent taxes as a penalty; 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 for the current year and the
12 amount due and delinquent for other years. The written
13 notice shall 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

subsection (2)(d) ready for mailing.

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

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

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

(1) One-half of the amount of such taxes shall be payable on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half on or before 5 p.m. on May 31 of each year.

(2) Unless one-half of such taxes are paid on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, then

such amount so payable shall become delinquent and shall draw interest at the rate of 5/6 of 1% per month from and after such delinquency until paid and 2% the appropriate penalty rate provided in [section 3] shall be added to the delinquent taxes as a penalty.

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

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

(5) If the taxes become delinquent, the county treasurer may accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full taxable years, provided both halves of the tax due for the current tax year have been paid. Payment of delinquent taxes must be applied to the taxes that have been delinquent the longest."

NEW SECTION. Section 3. Penalty rate for delinquent property taxes. The county treasurer shall add to delinquent real and personal property taxes a penalty based on the

1 following schedule:

2 Delinquent Tax Due	Penalty Rate
3 First \$1,000	2%
4 More than \$1,000 but not	5% of the increment
5 more than \$10,000	
6 More than \$10,000	10% of the increment

7 NEW SECTION. **Section 4.** Codification instruction.
8 [Section 3] is intended to be codified as an integral part
9 of Title 15, chapter 16, and the provisions of Title 15
10 apply to [section 3].

11 NEW SECTION. **Section 5.** Extension of authority. Any
12 existing authority to make rules on the subject of the
13 provisions of [this act] is extended to the provisions of
14 [this act].

15 NEW SECTION. **Section 6.** Effective date --
16 applicability. (1) [This act] is effective on passage and
17 approval.

18 (2) [This act] applies:

19 (a) to real and personal property taxes that become
20 due on or after November 30, 1989, and remain unpaid on or
21 after November 30, 1989; and

22 (b) retroactively, within the meaning of 1-2-109, to
23 real and personal property taxes that became due prior to
24 November 30, 1989, and remain unpaid on or after November
25 30, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB268, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to change the penalty from delinquent property tax payment from 2 percent to a penalty based on the amount of unpaid delinquent property taxes; and providing an immediate effective date and an applicability date.

Revenue Impact:

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

Expenditure Impact:

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

Ray Shackelford 1/25/89
RAY/SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Bert Guthrie 1/26/89
BERT GUTHRIE, PRIMARY SPONSOR DATE

Fiscal Note for HB268, as introduced

HB 268