

SENATE BILL 404

Introduced by Manning

2/11	Introduced
2/11	Referred to Judiciary
2/15	Hearing
	Died in Committee

1 *Senate* BILL NO. 404
2 INTRODUCED BY *Richard D. Manning*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
5 SATISFACTION OF A JUDGMENT LIEN UPON THE TERMINATION OF A
6 DEFAULTED CONTRACT FOR DEED OR UPON THE SALE OF THE JUDGMENT
7 DEBTOR'S PROPERTY; PROVIDING FOR DETERMINING THE JUDGMENT
8 DEBTOR'S INTEREST IN THE PROPERTY AND FOR THE RELEASE OF THE
9 LIEN; AND PROVIDING FOR A PENALTY EQUAL TO TRIPLE THE AMOUNT
10 OF THE LIEN PLUS ATTORNEY FEES AND COSTS."

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

13 NEW SECTION. **Section 1. Satisfaction of judgment lien**
14 **upon termination of contract for deed or sale of property.**

15 (1) A person who is terminating a defaulted contract for
16 deed or selling a parcel of property that is subject to a
17 judgment lien against a present or former owner may satisfy
18 the judgment lien by offering the judgment debtor's interest
19 in the property to the lien claimant as provided in this
20 section.

21 (2) The property must be appraised by a qualified real
22 estate appraiser at the expense of the terminating party or
23 seller.

24 (3) (a) If the transaction is a sale, the seller shall
25 present to the lien claimant:

1 (i) a copy of the appraisal;
2 (ii) a statement of the actual cost of the sale, which
3 may not exceed typical sale costs in the community or area
4 for similar pieces of property; and
5 (iii) a statement of the amounts needed to pay or allow
6 for the assumption of all other liens having priority over
7 the lien to be released.

8 (b) The lien claimant shall release his lien in
9 exchange for the proceeds of the sale after payment of costs
10 of the sale and the payment of prior liens, up to the amount
11 of the lien. If there are no proceeds remaining after
12 payment of costs and prior liens, the judgment debtor has no
13 interest in the property and the lien claimant shall release
14 the lien at the closing of the sale.

15 (4) If the transaction is the termination of a
16 defaulted contract for deed, the person terminating the
17 contract shall present to the lien claimant the appraisal,
18 along with a statement of the balance due on the contract
19 and the terms of the contract. The lien claimant may either
20 release his lien or remedy the contract default and assume
21 the buyer's obligations under the contract.

22 (5) If a lien claimant disputes the amount of either
23 the appraisal or the costs of the sale, the matter may be
24 submitted to arbitration under the provisions of Title 27,
25 chapter 5.

LC 1385/01

1 (6) A person is liable for damages amounting to triple
2 the amount of the lien, plus court costs and attorney fees,
3 if the person:

4 (a) knowingly gives false information to any person in
5 an attempt to obtain a lien release; or

6 (b) attempts to perpetuate a lien or refuses to release
7 a lien contrary to the provisions of this section.

-End-