

HOUSE BILL 418

Introduced by D. Brown

2/01	Introduced
2/01	Referred to Taxation
2/01	First Reading
2/01	Fiscal Note Requested
2/06	Fiscal Note Received
2/06	Revised Fiscal Note Received
2/06	Revised Fiscal Note Printed
2/10	Hearing
2/10	Tabled in Committee

1 House BILL NO. 418  
2 INTRODUCED BY Don Brown

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING PARTIAL  
5 PAYMENTS IN ANY AMOUNT ON DELINQUENT PROPERTY TAXES; AND  
6 AMENDING SECTIONS 15-16-102 AND 15-18-112, MCA."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 **Section 1.** Section 15-16-102, MCA, is amended to read:

10 "15-16-102. Time for payment -- penalty for  
11 delinquency. Except as provided in 15-16-802 and 15-16-803  
12 and unless suspended or canceled under the provisions of  
13 Title 15, chapter 24, part 17, all taxes levied and assessed  
14 in the state of Montana, except assessments made for special  
15 improvements in cities and towns payable under 15-16-103 and  
16 assessments made on interim production and new production as  
17 provided in Title 15, chapter 23, part 6, and payable under  
18 15-16-121, shall be are payable as follows:

19 (1) One-half of the taxes are payable on or before 5  
20 p.m. on November 30 of each year or within 30 days after the  
21 tax notice is postmarked, whichever is later, and one-half  
22 on or before 5 p.m. on May 31 of each year.

23 (2) Unless one-half of the taxes are paid on or before  
24 5 p.m. on November 30 of each year or within 30 days after  
25 the tax notice is postmarked, whichever is later, then the

1 amount so payable shall-become is delinquent and shall-draw  
2 draws interest at the rate of 5/6 of 1% per month from and  
3 after the delinquency until paid and 2% shall must be added  
4 to the delinquent taxes as a penalty.

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

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

14 (5) A taxpayer may pay his the current year taxes  
15 without paying delinquent taxes. The county treasurer must  
16 shall accept a partial payment equal-to-the of delinquent  
17 taxes, including penalty and interest, ~~for one or more full~~  
18 ~~taxable years, provided both halves of the current tax year~~  
19 ~~have been paid.~~ Payment of delinquent taxes must be applied  
20 to the taxes that have been delinquent the longest. The  
21 payment of the current tax year is not a redemption of the  
22 property tax lien for any delinquent tax year.

23 (6) The penalty and interest on delinquent assessment  
24 payments for specific parcels of land may be waived by  
25 resolution of the city council. A copy of the resolution

1 must be certified to the county treasurer."

2 **Section 2.** Section 15-18-112, MCA, is amended to read:

3 "15-18-112. Redemption from property tax lien. (1)

4 Except as provided in subsection (3), in all cases where a  
5 property tax lien has been acquired, the purchaser may pay  
6 the subsequent taxes assessed against the property.

7 (2) Upon the redemption of the property from the  
8 property tax lien, the redemptioner shall, in addition to  
9 the amount for which the property tax lien was sold,  
10 including penalties, interest, and costs, pay the subsequent  
11 taxes assessed, with interest and penalty thereon on the  
12 taxes at the rate established for delinquent taxes in  
13 15-16-102.

14 (3) The property tax lien may also be redeemed for a  
15 particular tax year by a partial payment of delinquent  
16 taxes, including all delinquent taxes, penalties, and  
17 interest owing for that tax year, as provided in  
18 15-16-102(5) if:

19 (a) the property tax lien for the year in which the  
20 partial payment is made is owned by the county; and

21 (b) the tax deed has not been issued pursuant to  
22 15-18-211."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0418, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing partial payments in any amount on delinquent property taxes.

ASSUMPTIONS:

1. Taxpayers would be able to make partial payments for any year's taxes in delinquency, rather than being required to make payment in full for any year's delinquent taxes.
2. Taxpayers would be able to make partial payments for any year's taxes in delinquency, without being required to pay current taxes in full.

FISCAL IMPACT:

Some taxpayers may tend to accelerate payments to avoid interest on delinquent taxes, thus accelerating the collection of state property tax revenues. However, some taxpayers may tend to allow current year's taxes to become delinquent while paying previous year taxes to avoid issuance of a tax lien, increasing the amount of delinquent taxes, and thus decelerating the collection of state property tax revenues. The net impact is unknown.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The impact on local property tax collections would be similar to the impact on state property tax revenues. County treasurers may incur significant administrative expenses to develop and maintain more extensive accounts receivable systems.

 2-5-93

DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 2-6-93

DAVE BROWN, PRIMARY SPONSOR      DATE

Fiscal Note for HB0418, as introduced

HB 418