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House BILL NO. 449
Swanson

INTRODUCED BY _____
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE STATE AUDITOR
A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE STATE AUDITOR TO COLLECT DELINQUENT PERSONAL PROPERTY TAXES USUALLY COLLECTED BY THE COUNTY TREASURER WHEN REQUESTED TO DO SO; REQUIRING THE BOARD OF COUNTY COMMISSIONERS TO NOTIFY A DELINQUENT TAXPAYER OF ITS INTENTION TO REQUEST THE STATE AUDITOR TO COLLECT DELINQUENT TAXES; AMENDING SECTIONS 15-16-119, 17-4-101, 17-4-102, 17-4-103, 17-4-105, AND 17-4-106, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-4-101, MCA, is amended to read:

"17-4-101. ~~Definitions~~ Definition. In this part, the following ~~definitions~~ apply:

- ~~(1) The word "department" means the department of revenue.~~
- ~~(2) The term "state agency" includes:~~

- (1) all state offices, departments, divisions, boards, commissions, councils, committees, institutions, university units, and other entities or instrumentalities of state government; and
- (2) with respect to delinquent taxes that the state auditor is requested to collect, state and local entities whose personal property taxes are collected by the county treasurer."

Section 2. Section 17-4-102, MCA, is amended to read:

"17-4-102. Accounts of persons indebted to state. (1) ~~In his discretion it is the duty of the~~ The state auditor ~~to~~ may:

- (a) examine and settle the accounts of persons indebted to ~~the state~~ agencies and certify the amount to the treasurer and, upon presentation and filing of the treasurer's receipt ~~therefor~~ for that amount, ~~to give such~~ the person a discharge and charge the treasurer ~~therewith~~ with that amount;
- (b) require ~~any~~ a person presenting an account for settlement to be sworn before ~~him~~ the state auditor and to answer, orally or in writing, as to any facts relating to ~~it~~ the account.



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1 (2) The certificate ~~mentioned~~ referred to in subsection (1)(a) must show by whom the payment is
 2 to be made, the amount ~~thereof~~ of the payment, and the fund into which it is to be paid ~~and~~. Certificates
 3 must be numbered in order, beginning with number 1 at the commencement of each fiscal year."

4
 5 **Section 3.** Section 17-4-103, MCA, is amended to read:

6 "**17-4-103. Collection of claims by state auditor.** (1) ~~(a) In his discretion, it is the duty of the~~ The
 7 state auditor ~~to~~ may examine the collection of money due ~~the state~~ an agency and institute suits:

8 (i) in its name for official delinquencies in relation to the assessment, collection, and payment of
 9 the revenue; ~~and~~

10 (ii) against persons who possess public money or property and fail to pay over or deliver the money
 11 or property; ~~and~~

12 (iii) against debtors of the ~~state~~ agencies.

13 (b) The courts of the county where the seat of government may be located have jurisdiction,
 14 without regard to the residence of the defendants, over the collection suits authorized by this section.

15 (2) Whenever a person has money or other personal property that belongs to the state by escheat
 16 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,
 17 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render
 18 an account of the money or personal property to and make settlement with the state auditor within the time
 19 prescribed by law or, when no particular time is specified, fails to render an account and make settlement
 20 or ~~who~~ fails to pay into the state treasury the money belonging to the state, upon being required to do so
 21 by the state auditor, within 20 days after the requisition, the state auditor shall state an account with that
 22 person, charging 25% damages and interest at the rate of 10% a year from the time of the failure. A copy
 23 of the account in a suit is prima facie evidence of the things stated in the account, but when the state
 24 auditor cannot for want of information state an account, ~~he~~ the state auditor may in an action ~~brought by~~
 25 ~~him~~ aver that fact and allege generally the amount of money or other property due or belonging to the state.

26 (3) (a) The state auditor may assist in the collection of a delinquent account owing to ~~any state~~
 27 an agency and may separately charge the ~~state~~ agency that transferred the debt for the cost of assistance.
 28 The state auditor may designate the percentage of collected proceeds to be retained for the cost of
 29 assistance. The cost of assistance for collecting personal property taxes that would otherwise be collected
 30 by the county treasurer must be allocated in the same manner in which the taxes are distributed.

1 (b) A delinquent personal property tax usually collected by the county treasurer may be collected
 2 by the state auditor only on request of the board of county commissioners. The request must be
 3 accompanied by proof of the amount of tax due and proof of the delinquency. The board shall also provide
 4 proof that, at least 30 days before making the request, the county has notified the delinquent taxpayer by
 5 mail of the board's intention to request assistance from the state auditor.

6 (4) The state auditor may provide a collection service for the general purpose of centralizing the
 7 collection of all debts ~~owing owed~~ to the state agencies."

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 9 **Section 4.** Section 17-4-105, MCA, is amended to read:

10 "**17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of ~~a state~~ an agency has been
 11 transferred to the state auditor, the state auditor has the authority to collect it. The state auditor may
 12 contract with commercial collection ~~agencies~~ agents for recovery of debts owed ~~the state~~ to agencies.

13 (2) The state auditor shall, when appropriate, offset any amount due ~~a state~~ an agency from a
 14 person or entity against any amount, including refunds ~~or of~~ of taxes, owing the person or entity by ~~any state~~
 15 an agency. ~~provided the~~ The state auditor may not exercise this right of offset until the debtor has first
 16 been notified by the state auditor and been given an opportunity for a hearing. An offset may not be made
 17 against any amount paid out as child support collected by the department of social and rehabilitation
 18 services. The state auditor shall deduct from the claim and draw warrants for the amounts offset in favor
 19 of the respective state agencies to which the debt is due and for any balance in favor of the claimant.
 20 Whenever insufficient to offset all amounts due state the agencies, the amount available must be applied
 21 first to debts owed by reason of the nonpayment of child support and then in the manner as determined
 22 appropriate by the state auditor, in the state auditor's discretion, determines.

23 (3) (a) The ~~department~~ state auditor retains the power to offset tax refunds due individuals against
 24 taxes owed ~~the state, provided the department~~ agencies. The state auditor may not exercise this right of
 25 offset until the taxpayer has been notified by the ~~department~~ state auditor and been given the opportunity
 26 to request a review.

27 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the
 28 asserted liability. If a review is requested, the ~~department~~ state auditor shall conduct an informal review
 29 conference, which is not subject to the contested case procedures of the Montana Administrative Procedure
 30 Act. A request for a review pursuant to this subsection must be in writing and be delivered to the state

1 auditor's office.

2 (c) Appeal from the decision of the ~~department~~ state auditor after the review conference may be
3 taken to the state tax appeal board.

4 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the
5 subject matter of any proceeding conducted for the purpose of determining its validity and ~~any a~~ a decision
6 made as a result of that proceeding has become final.

7 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by
8 the department of social and rehabilitation services on behalf of any person or agency may be offset by the
9 state auditor if the debt is being enforced or collected by the department of social and rehabilitation services
10 under Title IV-D of the Social Security Act.

11 (b) The debt need not be determined to be uncollectible as provided for in 17-4-104 before being
12 transferred to the state auditor for offset. The debt must have accrued through written contract, court
13 judgment, or administrative order.

14 (c) Within 30 days following the notification provided in subsection (2), the person owing a debt
15 described in subsection (4)(a) may request a hearing. The request must be in writing and be mailed to the
16 department of social and rehabilitation services. The person owing a debt is not entitled to a hearing if the
17 amount of the debt has been the subject matter of any proceeding conducted for the purpose of
18 determining the validity of the debt and ~~any a~~ a decision made as a result of that proceeding has become
19 final. The hearing must be conducted by teleconferencing methods and is subject to the provisions of the
20 Montana Administrative Procedure Act. The department of social and rehabilitation services shall adopt
21 rules ~~necessary to determine~~ governing the hearing procedures.

22 (5) ~~If, in the discretion of the state auditor, the~~ determines that a person or entity refuses or
23 ~~neglects~~ has refused or neglected to file a claim within a reasonable time, the head of the state agency
24 owing the amount shall file the claim on behalf of the person or entity; ~~if.~~ If the claim is approved by the
25 department of administration, it shall have has the same force and effect as though filed by the person or
26 entity. The amount due any person or entity from the state or any agency of the state is the net amount
27 otherwise owing the person or entity after any offset as provided in this section."
28

29 **Section 5.** Section 17-4-106, MCA, is amended to read:

30 **"17-4-106. Agency owed debt to receive all money collected -- exception.** (1) All money collected

1 by the state auditor on debts transferred to ~~him~~ the state auditor by the various ~~state~~ agencies, except
 2 funds collected under 17-4-103(3), must be deposited to the account or fund of the agency to which the
 3 debt was originally ~~owing~~ owed. A county shall apply a delinquent personal property tax collection by the
 4 state auditor to the payment of the taxpayer's most delinquent personal property taxes or portion thereof.

5 (2) Funds collected under 17-4-103(3) must be deposited in an account in the internal service fund
 6 for the cost of assistance of debt collection by the state auditor. Funds deposited in excess of the amount
 7 appropriated for operation of the debt collection program must be carried forward into the next fiscal year
 8 for operation of the debt collection program. Any excess carried forward into the next fiscal year ~~will~~ must
 9 be used to reduce the designated percentage of the collected proceeds charged to the various ~~state~~
 10 agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred ~~back~~
 11 to the general fund."

12

13 **Section 6.** Section 15-16-119, MCA, is amended to read:

14 **"15-16-119. Taxation of personal property -- duty of department -- collection by state**
 15 **auditor.** (1) If the taxes on personal property are not a lien upon real property in the same county in an
 16 amount sufficient to secure the payment of the taxes, the department shall assess the property and
 17 compute the tax for the assessment. The department shall notify the county treasurer of the assessment
 18 and the amount of taxes due. To compute the taxes due on the personal property, the department shall
 19 use the appropriate mills levied during the previous year.

20 (2) The county treasurer shall notify the person against whom the tax is assessed and any other
 21 person having a properly perfected security interest of record of the amount and due date of the tax. The
 22 tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days
 23 become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

24 (3) The county treasurer shall, after the tax becomes delinquent, levy upon and take into
 25 possession the personal property against which a tax is assessed or any other personal property in the
 26 hands of the delinquent taxpayer. The county treasurer may proceed to sell the property in the same
 27 manner as property is sold on execution by the sheriff.

28 (4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to
 29 make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy
 30 county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff

1 may receive the same fees as for making a seizure and sale as provided in 15-17-911.

2 (5) The county treasurer and the treasurer's sureties are liable on the treasurer's official bond for
3 all taxes on personal property remaining uncollected by reason of the willful failure and neglect of the
4 treasurer to levy upon and sell the personal property for the taxes levied upon the property, including
5 penalty and interest.

6 (6) Failure by the sheriff, undersheriff, or deputy sheriff acting as a deputy county treasurer to
7 make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy
8 sheriff for payment of the delinquent tax, including penalty and interest.

9 (7) The county treasurer shall give the board of county commissioners a list of delinquent personal
10 property taxpayers and the taxes due. The board may order the county treasurer to verify the list under
11 oath and to send a copy of the list to the state auditor for collection under Title 17, chapter 4, part 1.

12 ~~(7)(8)~~ The provisions of this section do not apply to property for which delinquent property taxes
13 have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."
14

15 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 1995.

16

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0449, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill allowing the State Auditor's Office to collect delinquent personal property taxes usually collected by the county treasurer when requested to do so by the county.

ASSUMPTIONS:

1. Counties are not mandated to use the collection service. Debts are not transferred to the state, but remain with the county. If collection of debts is made by the county through traditional collection processes, the state is not compensated for these collections.
2. The proposed legislation allows for partial payment by debtors. Distribution of collections will be based on the same distribution that regular taxes are allocated.
3. On average, 40% of personal property taxes collected fund public school equalization and the six-mill university levy accounts. This has a direct general fund impact.
4. The State Auditor's Office will need to convince counties that the service is a benefit to them, assist counties in determining if collection service makes sense for each particular county, and to determine individual county data processing needs for data sharing. The estimated proprietary fund operating expenses, as shown in a new proposal in the Governor's Executive Budget, are \$9,977 in FY96 and \$9,626 in FY97. Expense categories include data processing services, supplies, communications, and travel.
5. Current statewide personal property taxable value is \$304,309,998. The average statewide mill levy tax rate is .362467 of the taxable value. Statewide total personal property taxes equal \$110,302,332.
6. Lewis and Clark County represents 7% of the personal property tax base in the state. Delinquent personal property taxes statewide will, on average, approximate the experience in Lewis and Clark County.
7. There will be limited participation by counties until the program proves itself to county officials. Initially, 14% of the debt owed will be submitted to the debt collection process. In the second year, FY97, this will grow to 25% of total personal property debt. Total referred debt will be \$1,323,730 in FY96 and \$2,363,804 in FY97.
8. The state debt collection effort has a five percent success rate in collecting debts that are referred to the program. Collections for counties will be \$66,186 in FY96 and \$118,190 in FY97.

FISCAL IMPACT:

Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
General Fund (01)	24,489	43,730

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Increased revenue to local governments will be approximately 60% of the funds collected. The remaining 40% will be for school equalization and university six mill levy funding. The 60% estimate is \$36,733 in FY96 and \$65,595 in FY97.

(continued)

David Lewis 2/13/95
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Emily Swanson 2/13/95
 EMILY SWANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB449, as introduced

HB 449

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Based on total estimated personal property delinquencies (\$9.4 million) and the bad debt collection program's historical success rate, potential collections could climb into the hundreds of thousands of dollars annually. This is dependent upon the degree of success with these debts and the counties' acceptance of the program.

TECHNICAL NOTES:

The bill takes away the Department of Revenue's authority, under 17-4-105 (3), MCA to offset tax refunds due individuals against taxes owed the state by deleting the Department of Revenue from the definition in 17-4-101, MCA, and by putting the State Auditor in its place in 17-4-105 (3), MCA. This means the Department of Revenue would no longer be able to offset, from individual income tax refunds, taxes owed the state from sources other than individual income tax. This would result in some fund shifting and possible loss of revenue.

There is some question as to whether or not the Department of Revenue would retain its power to offset individual income tax refunds for individual income taxes owed the state as is authorized under 15-30-310, MCA. If the Department of Revenue does not retain the power to offset tax refunds as is authorized under 15-30-310, MCA, there would be some fund shifting for the revenue currently being offset.

1 HOUSE BILL NO. 449

2 INTRODUCED BY SWANSON

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE STATE AUDITOR

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE STATE AUDITOR TO COLLECT DELINQUENT
6 PERSONAL PROPERTY TAXES USUALLY COLLECTED BY THE COUNTY TREASURER WHEN REQUESTED
7 TO DO SO; REQUIRING THE BOARD OF COUNTY COMMISSIONERS TO NOTIFY A DELINQUENT
8 TAXPAYER OF ITS INTENTION TO REQUEST THE STATE AUDITOR TO COLLECT DELINQUENT TAXES;
9 AMENDING SECTIONS 15-16-119, 17-4-101, 17-4-102, 17-4-103, 17-4-105, AND 17-4-106, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13
14 **Section 1.** Section 17-4-101, MCA, is amended to read:15 "**17-4-101. ~~Definitions~~ Definition.** In this part, the ~~following definitions apply:~~16 ~~(1) The word "department" means the department of revenue.~~17 ~~(2) The term "state agency" includes:~~18 (1) all state offices, departments, divisions, boards, commissions, councils, committees,
19 institutions, university units, and other entities or instrumentalities of state government; and20 (2) with respect to delinquent taxes that the state auditor is requested to collect, state and local
21 entities whose personal property taxes are collected by the county treasurer."22
23 **Section 2.** Section 17-4-102, MCA, is amended to read:24 "**17-4-102. Accounts of persons indebted to state.** (1) ~~In his discretion it is the duty of the~~ The
25 state auditor to ~~may:~~26 (a) examine and settle the accounts of persons indebted to ~~the state~~ agencies and certify the
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28 ~~to give such~~ the person a discharge and charge the treasurer ~~therewith~~ with that amount;29 (b) require ~~any~~ a person presenting an account for settlement to be sworn before ~~him~~ the state
30 auditor and to answer, orally or in writing, as to any facts relating to ~~it~~ the account.

1 (2) The certificate ~~mentioned~~ referred to in subsection (1)(a) must show by whom the payment is
 2 to be made, the amount ~~thereof of the payment~~, and the fund into which it is to be paid and. Certificates
 3 must be numbered in order, beginning with number 1 at the commencement of each fiscal year."

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 14 without regard to the residence of the defendants, over the collection suits authorized by this section.

15 (2) Whenever a person has money or other personal property that belongs to the state by escheat
 16 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,
 17 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render
 18 an account of the money or personal property to and make settlement with the state auditor within the time
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 21 by the state auditor, within 20 days after the requisition, the state auditor shall state an account with that
 22 person, charging 25% damages and interest at the rate of 10% a year from the time of the failure. A copy
 23 of the account in a suit is prima facie evidence of the things stated in the account, but when the state
 24 auditor cannot for want of information state an account, ~~he~~ the state auditor may in an action ~~brought by~~
 25 ~~him~~ aver that fact and allege generally the amount of money or other property due or belonging to the state.

26 (3) (a) The state auditor may assist in the collection of a delinquent account owing to ~~any state~~
 27 an agency and may separately charge the ~~state~~ agency that transferred the debt for the cost of assistance.
 28 The state auditor may designate the percentage of collected proceeds to be retained for the cost of
 29 assistance. The cost of assistance for collecting personal property taxes that would otherwise be collected
 30 by the county treasurer must be allocated in the same manner in which the taxes are distributed.

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 2 by the state auditor only on request of the board of county commissioners. The request must be
 3 accompanied by proof of the amount of tax due and proof of the delinquency. The board shall also provide
 4 proof that, at least 30 days before making the request, the county has notified the delinquent taxpayer by
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 7 collection of all debts ~~owing~~ owed to ~~the state~~ agencies."

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 11 transferred to the state auditor, the state auditor has the authority to collect it. The state auditor may
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 16 been notified by the state auditor and been given an opportunity for a hearing. An offset may not be made
 17 against any amount paid out as child support collected by the department of social and rehabilitation
 18 services. The state auditor shall deduct from the claim and draw warrants for the amounts offset in favor
 19 of the respective ~~state~~ agencies to which the debt is due and for any balance in favor of the claimant.
 20 Whenever insufficient to offset all amounts due ~~state~~ the agencies, the amount available must be applied
 21 first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ determined
 22 appropriate by the state auditor, ~~in the state auditor's discretion,~~ determines.

23 (3) (a) The ~~department state auditor~~ DEPARTMENT OF REVENUE retains the power to offset tax
 24 refunds due individuals against taxes owed ~~the state,~~ provided the department ~~agencies.~~ The state auditor
 25 THE STATE. THE DEPARTMENT may not exercise this right of offset until the taxpayer has been notified
 26 by the ~~department state auditor~~ DEPARTMENT and been given the opportunity to request a review.

27 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the
 28 asserted liability. If a review is requested, the ~~department state auditor~~ DEPARTMENT shall conduct an
 29 informal review conference, which is not subject to the contested case procedures of the Montana
 30 Administrative Procedure Act. A request for a review pursuant to this subsection must be in writing and

1 ~~be delivered to the state auditor's office.~~

2 (c) Appeal from the decision of the department ~~state auditor~~ DEPARTMENT after the review
3 conference may be taken to the state tax appeal board.

4 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the
5 subject matter of any proceeding conducted for the purpose of determining its validity and ~~any~~ a decision
6 made as a result of that proceeding has become final.

7 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by
8 the department of social and rehabilitation services on behalf of any person or agency may be offset by the
9 state auditor if the debt is being enforced or collected by the department of social and rehabilitation services
10 under Title IV-D of the Social Security Act.

11 (b) The debt need not be determined to be uncollectible as provided in 17-4-14 before being
12 transferred to the state auditor for offset. The debt must have accrued through written contract, court
13 judgment, or administrative order.

14 (c) Within 30 days following the notification provided in subsection (2), the person owing a debt
15 described in subsection (4)(a) may request a hearing. The request must be in writing and be mailed to the
16 department of social and rehabilitation services. The person owing a debt is not entitled to a hearing if the
17 amount of the debt has been the subject matter of any proceeding conducted for the purpose of
18 determining the validity of the debt and ~~any~~ a decision made as a result of that proceeding has become
19 final. The hearing must be conducted by teleconferencing methods and is subject to the provisions of the
20 Montana Administrative Procedure Act. The department of social and rehabilitation services shall adopt
21 rules ~~necessary to determine~~ governing the hearing procedures.

22 (5) ~~If, in the discretion of the state auditor, the~~ determines that a person or entity ~~refuses or~~
23 ~~neglects~~ has refused or neglected to file a claim within a reasonable time, the head of the state agency
24 owing the amount shall file the claim on behalf of the person or entity; ~~if,~~ if the claim is approved by the
25 department of administration, it ~~shall have~~ has the same force and effect as though filed by the person or
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4 state auditor to the payment of the taxpayer's most delinquent personal property taxes or portion thereof.

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7 appropriated for operation of the debt collection program must be carried forward into the next fiscal year
8 for operation of the debt collection program. Any excess carried forward into the next fiscal year ~~will~~ must
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17 compute the tax for the assessment. The department shall notify the county treasurer of the assessment
18 and the amount of taxes due. To compute the taxes due on the personal property, the department shall
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22 tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days
23 become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

24 (3) The county treasurer shall, after the tax becomes delinquent, EITHER PROCEED UNDER
25 SUBSECTION (7) OR levy upon and take into possession the personal property against which a tax is
26 assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may
27 proceed to sell the property in the same manner as property is sold on execution by the sheriff.

28 (4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to
29 make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy
30 county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff

1 may receive the same fees as for making a seizure and sale as provided in 15-17-911.

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4 treasurer to levy upon and sell the personal property for the taxes levied upon the property, including
5 penalty and interest.

6 (6) Failure by the sheriff, undersheriff, or deputy sheriff acting as a deputy county treasurer to
7 make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy
8 sheriff for payment of the delinquent tax, including penalty and interest.

9 (7) The county treasurer shall give the board of county commissioners a list of delinquent personal
10 property taxpayers and the taxes due. The board may order the county treasurer to verify the list under
11 oath and to send a copy of the list to the state auditor for collection under Title 17, chapter 4, part 1.

12 ~~(7)(8)~~ The provisions of this section do not apply to property for which delinquent property taxes
13 have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."
14

15 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 1995.

16 -END-

1 HOUSE BILL NO. 449

2 INTRODUCED BY SWANSON

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE STATE AUDITOR

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE STATE AUDITOR TO COLLECT DELINQUENT
6 PERSONAL PROPERTY TAXES USUALLY COLLECTED BY THE COUNTY TREASURER WHEN REQUESTED
7 TO DO SO; REQUIRING THE BOARD OF COUNTY COMMISSIONERS TO NOTIFY A DELINQUENT
8 TAXPAYER OF ITS INTENTION TO REQUEST THE STATE AUDITOR TO COLLECT DELINQUENT TAXES;
9 AMENDING SECTIONS 15-16-119, 17-4-101, 17-4-102, 17-4-103, 17-4-105, AND 17-4-106, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13
14 **Section 1.** Section 17-4-101, MCA, is amended to read:15 "**17-4-101. Definitions Definition.** In this part, the following definitions apply:16 ~~(1) The word "department" means the department of revenue.~~17 ~~(2) The term "state agency" includes:~~18 (1) all state offices, departments, divisions, boards, commissions, councils, committees,
19 institutions, university units, and other entities or instrumentalities of state government; and20 (2) with respect to delinquent taxes that the state auditor is requested to collect, state and local
21 entities whose personal property taxes are collected by the county treasurer."22
23 **Section 2.** Section 17-4-102, MCA, is amended to read:24 "**17-4-102. Accounts of persons indebted to state.** (1) ~~In his discretion it is the duty of the~~ The
25 state auditor to may:26 (a) examine and settle the accounts of persons indebted to ~~the state~~ agencies and certify the
27 amount to the treasurer and, upon presentation and filing of the treasurer's receipt ~~therefor~~ for that amount,
28 ~~to give each~~ the person a discharge and charge the treasurer ~~therewith~~ with that amount;29 (b) require ~~any~~ a person presenting an account for settlement to be sworn before ~~him~~ the state
30 auditor and to answer, orally or in writing, as to any facts relating to ~~it~~ the account.

1 (2) The certificate ~~mentioned~~ referred to in subsection (1)(a) must show by whom the payment is
 2 to be made, the amount ~~thereof~~ of the payment, and the fund into which it is to be paid ~~and~~. Certificates
 3 must be numbered in order, beginning with number 1 at the commencement of each fiscal year."

4
 5 **Section 3.** Section 17-4-103, MCA, is amended to read:

6 **"17-4-103. Collection of claims by state auditor.** (1) ~~(a) In his discretion, it is the duty of the~~ The
 7 state auditor ~~to~~ may examine the collection of money due ~~the state~~ an agency and institute suits:

8 (i) in its name for official delinquencies in relation to the assessment, collection, and payment of
 9 the revenue; ~~and~~

10 (ii) against persons who possess public money or property and fail to pay over or deliver the money
 11 or property; and

12 (iii) against debtors of the ~~state~~ agencies.

13 (b) The courts of the county where the seat of government may be located have jurisdiction,
 14 without regard to the residence of the defendants, over the collection suits authorized by this section.

15 (2) Whenever a person has money or other personal property that belongs to the state by escheat
 16 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,
 17 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render
 18 an account of the money or personal property to and make settlement with the state auditor within the time
 19 prescribed by law or, when no particular time is specified, fails to render an account and make settlement
 20 or ~~who~~ fails to pay into the state treasury the money belonging to the state, upon being required to do so
 21 by the state auditor, within 20 days after the requisition, the state auditor shall state an account with that
 22 person, charging 25% damages and interest at the rate of 10% a year from the time of the failure. A copy
 23 of the account in a suit is prima facie evidence of the things stated in the account, but when the state
 24 auditor cannot for want of information state an account, ~~he~~ the state auditor may in an action ~~brought by~~
 25 ~~him~~ aver that fact and allege generally the amount of money or other property due or belonging to the state.

26 (3) (a) The state auditor may assist in the collection of a delinquent account owing to ~~any state~~
 27 an agency and may separately charge the ~~state~~ agency that transferred the debt for the cost of assistance.
 28 The state auditor may designate the percentage of collected proceeds to be retained for the cost of
 29 assistance. The cost of assistance for collecting personal property taxes that would otherwise be collected
 30 by the county treasurer must be allocated in the same manner in which the taxes are distributed.

1 **(b) A delinquent personal property tax usually collected by the county treasurer may be collected**
 2 **by the state auditor only on request of the board of county commissioners. The request must be**
 3 **accompanied by proof of the amount of tax due and proof of the delinquency. The board shall also provide**
 4 **proof that, at least 30 days before making the request, the county has notified the delinquent taxpayer by**
 5 **mail of the board's intention to request assistance from the state auditor.**

6 (4) The state auditor may provide a collection service for the general purpose of centralizing the
 7 collection of all debts ~~owing~~ owed to ~~the state~~ agencies."

8
 9 **Section 4.** Section 17-4-105, MCA, is amended to read:

10 **"17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of ~~a state~~ an agency has been
 11 transferred to the state auditor, the state auditor has the authority to collect it. The state auditor may
 12 contract with commercial collection ~~agencies~~ agents for recovery of debts owed ~~the state~~ to agencies.

13 (2) The state auditor shall, when appropriate, offset any amount due ~~a state~~ an agency from a
 14 person or entity against any amount, including refunds ~~or~~ of taxes, owing the person or entity by ~~any state~~
 15 an agency, ~~provided the~~ The state auditor may not exercise this right of offset until the debtor has first
 16 been notified by the state auditor and been given an opportunity for a hearing. An offset may not be made
 17 against any amount paid out as child support collected by the department of social and rehabilitation
 18 services. The state auditor shall deduct from the claim and draw warrants for the amounts offset in favor
 19 of the respective ~~state~~ agencies to which the debt is due and for any balance in favor of the claimant.
 20 Whenever insufficient to offset all amounts due ~~state~~ the agencies, the amount available must be applied
 21 first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ determined
 22 appropriate by the state auditor, ~~in the state auditor's discretion,~~ determines.

23 (3) (a) The ~~department~~ state auditor DEPARTMENT OF REVENUE retains the power to offset tax
 24 refunds due individuals against taxes owed ~~the state,~~ provided the department agencies. ~~The state auditor~~
 25 THE STATE. THE DEPARTMENT may not exercise this right of offset until the taxpayer has been notified
 26 by the ~~department~~ state auditor DEPARTMENT and been given the opportunity to request a review.

27 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the
 28 asserted liability. If a review is requested, the ~~department~~ state auditor DEPARTMENT shall conduct an
 29 informal review conference, which is not subject to the contested case procedures of the Montana
 30 Administrative Procedure Act. ~~A request for a review pursuant to this subsection must be in writing and~~

1 ~~be delivered to the state auditor's office.~~

2 (c) Appeal from the decision of the ~~department state auditor~~ DEPARTMENT after the review
3 conference may be taken to the state tax appeal board.

4 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the
5 subject matter of any proceeding conducted for the purpose of determining its validity and ~~any a~~ decision
6 made as a result of that proceeding has become final.

7 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by
8 the department of social and rehabilitation services on behalf of any person or agency may be offset by the
9 state auditor if the debt is being enforced or collected by the department of social and rehabilitation services
10 under Title IV-D of the Social Security Act.

11 (b) The debt need not be determined to be uncollectible as provided for in 17-4-104 before being
12 transferred to the state auditor for offset. The debt must have accrued through written contract, court
13 judgment, or administrative order.

14 (c) Within 30 days following the notification provided in subsection (2), the person owing a debt
15 described in subsection (4)(a) may request a hearing. The request must be in writing and be mailed to the
16 ~~department of social and rehabilitation services~~ STATE AUDITOR. The person owing a debt is not entitled
17 to a hearing if the amount of the debt has been the subject matter of any proceeding conducted for the
18 purpose of determining the validity of the debt and ~~any a~~ decision made as a result of that proceeding has
19 become final. The hearing must be conducted by teleconferencing methods and is subject to the provisions
20 of the Montana Administrative Procedure Act. The department of social and rehabilitation services shall
21 adopt rules ~~necessary to determine~~ governing the hearing procedures.

22 (5) ~~If, in the discretion of the state auditor, the~~ determines that a person or entity refuses or
23 ~~neglects~~ has refused or neglected to file a claim within a reasonable time, the head of the state agency
24 owing the amount shall file the claim on behalf of the person or entity; ~~if~~. If the claim is approved by the
25 department of administration, it ~~shall have~~ has the same force and effect as though filed by the person or
26 entity. The amount due any person or entity from the state or any agency of the state is the net amount
27 otherwise owing the person or entity after any offset as provided in this section."
28

29 **Section 5.** Section 17-4-106, MCA, is amended to read:

30 **"17-4-106. Agency owed debt to receive all money collected -- exception.** (1) All money collected

1 by the state auditor on debts transferred to ~~him~~ the state auditor by the various ~~state~~ agencies, except
 2 funds collected under 17-4-103(3), must be deposited to the account or fund of the agency to which the
 3 debt was originally ~~owing~~ owed. A county shall apply a delinquent personal property tax collection by the
 4 state auditor to the payment of the taxpayer's most delinquent personal property taxes or portion thereof.

5 (2) Funds collected under 17-4-103(3) must be deposited in an account in the internal service fund
 6 for the cost of assistance of debt collection by the state auditor. Funds deposited in excess of the amount
 7 appropriated for operation of the debt collection program must be carried forward into the next fiscal year
 8 for operation of the debt collection program. Any excess carried forward into the next fiscal year ~~will~~ must
 9 be used to reduce the designated percentage of the collected proceeds charged to the various ~~state~~
 10 agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred ~~back~~
 11 to the general fund."

12

13 **Section 6.** Section 15-16-119, MCA, is amended to read:

14 "**15-16-119. Taxation of personal property -- duty of department -- collection by state**
 15 **auditor.** (1) If the taxes on personal property are not a lien upon real property in the same county in an
 16 amount sufficient to secure the payment of the taxes, the department shall assess the property and
 17 compute the tax for the assessment. The department shall notify the county treasurer of the assessment
 18 and the amount of taxes due. To compute the taxes due on the personal property, the department shall
 19 use the appropriate mills levied during the previous year.

20 (2) The county treasurer shall notify the person against whom the tax is assessed and any other
 21 person having a properly perfected security interest of record of the amount and due date of the tax. The
 22 tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days
 23 become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

24 (3) The county treasurer shall, after the tax becomes delinquent, EITHER PROCEED UNDER
 25 SUBSECTION (7) OR levy upon and take into possession the personal property against which a tax is
 26 assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may
 27 proceed to sell the property in the same manner as property is sold on execution by the sheriff.

28 (4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to
 29 make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy
 30 county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff

1 may receive the same fees as for making a seizure and sale as provided in 15-17-911.

2 (5) The county treasurer and the treasurer's sureties are liable on the treasurer's official bond for
3 all taxes on personal property remaining uncollected by reason of the willful failure and neglect of the
4 treasurer to levy upon and sell the personal property for the taxes levied upon the property, including
5 penalty and interest.

6 (6) Failure by the sheriff, undersheriff, or deputy sheriff acting as a deputy county treasurer to
7 make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy
8 sheriff for payment of the delinquent tax, including penalty and interest.

9 (7) The county treasurer shall give the board of county commissioners a list of delinquent personal
10 property taxpayers and the taxes due. The board may order the county treasurer to verify the list under
11 oath and to send a copy of the list to the state auditor for collection under Title 17, chapter 4, part 1.

12 ~~(7)(8)~~ The provisions of this section do not apply to property for which delinquent property taxes
13 have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."
14

15 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 1995.

16 -END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 6, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration HB 449 (third reading copy -- blue), respectfully report that HB 449 be amended as follows and as so amended be concurred in.

Signed: Sen. Devlin
Senator Gerry Devlin, Chair

That such amendments read:

1. Page 6, line 14.

Insert: "

NEW SECTION. Section 7. Coordination instructions. (1)

If [this act] and House Bill No. 563 are both passed and approved, then:

(a) the definition of department in [section 11] of House Bill No. 563 is effective and the striking of the definition in [section 1 of this act] is void;

(b) the references to "state auditor" in 17-4-103, 17-4-105, and 17-4-106 of [this act] are changed to "department"; and

(c) references to "state auditor" in 39-51-3207 of House Bill No. 563 are changed to "department of administration".

(2) If [this act] and House Bill No. 36 are both passed and approved, then the references to "state auditor" in 53-1-411 are changed to "department of administration".

Renumber: subsequent section

-END-



Amd. Coord.
Sec. of Senate



Senator Carrying Bill

HB 449

SENATE
791023SC.SPv

1 HOUSE BILL NO. 449

2 INTRODUCED BY SWANSON

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE STATE AUDITOR

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE STATE AUDITOR TO COLLECT DELINQUENT
6 PERSONAL PROPERTY TAXES USUALLY COLLECTED BY THE COUNTY TREASURER WHEN REQUESTED
7 TO DO SO; REQUIRING THE BOARD OF COUNTY COMMISSIONERS TO NOTIFY A DELINQUENT
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9 AMENDING SECTIONS 15-16-119, 17-4-101, 17-4-102, 17-4-103, 17-4-105, AND 17-4-106, MCA; AND
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19 institutions, university units, and other entities or instrumentalities of state government; and20 (2) with respect to delinquent taxes that the state auditor is requested to collect, state and local
21 entities whose personal property taxes are collected by the county treasurer."22
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1 (2) The certificate ~~mentioned~~ referred to in subsection (1)(a) must show by whom the payment is
 2 to be made, the amount ~~thereof~~ of the payment, and the fund into which it is to be paid ~~and~~. Certificates
 3 must be numbered in order, beginning with number 1 at the commencement of each fiscal year."

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 5 **Section 3.** Section 17-4-103, MCA, is amended to read:

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 9 the revenue; ~~and~~

10 (ii) against persons who possess public money or property and fail to pay over or deliver the money
 11 or property; ~~and~~

12 (iii) against debtors of the ~~state~~ agencies.

13 (b) The courts of the county where the seat of government may be located have jurisdiction,
 14 without regard to the residence of the defendants, over the collection suits authorized by this section.

15 (2) Whenever a person has money or other personal property that belongs to the state by escheat
 16 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,
 17 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render
 18 an account of the money or personal property to and make settlement with the state auditor within the time
 19 prescribed by law or, when no particular time is specified, fails to render an account and make settlement
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 21 by the state auditor, within 20 days after the requisition, the state auditor shall state an account with that
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 23 of the account in a suit is prima facie evidence of the things stated in the account, but when the state
 24 auditor cannot for want of information state an account, ~~he~~ the state auditor may in an action ~~brought by~~
 25 ~~him~~ aver that fact and allege generally the amount of money or other property due or belonging to the state.

26 (3) (a) The state auditor may assist in the collection of a delinquent account owing to ~~any state~~
 27 an agency and may separately charge the ~~state~~ agency that transferred the debt for the cost of assistance.
 28 The state auditor may designate the percentage of collected proceeds to be retained for the cost of
 29 assistance. The cost of assistance for collecting personal property taxes that would otherwise be collected
 30 by the county treasurer must be allocated in the same manner in which the taxes are distributed.

1 **(b) A delinquent personal property tax usually collected by the county treasurer may be collected**
 2 **by the state auditor only on request of the board of county commissioners. The request must be**
 3 **accompanied by proof of the amount of tax due and proof of the delinquency. The board shall also provide**
 4 **proof that, at least 30 days before making the request, the county has notified the delinquent taxpayer by**
 5 **mail of the board's intention to request assistance from the state auditor.**

6 (4) The state auditor may provide a collection service for the general purpose of centralizing the
 7 collection of all debts ~~owing~~ owed to the state agencies."

8
 9 **Section 4.** Section 17-4-105, MCA, is amended to read:

10 **"17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of ~~a state~~ an agency has been
 11 transferred to the state auditor, the state auditor has the authority to collect it. The state auditor may
 12 contract with commercial collection ~~agencies~~ agents for recovery of debts ~~owed the state~~ to agencies.

13 (2) The state auditor shall, when appropriate, offset any amount due ~~a state~~ an agency from a
 14 person or entity against any amount, including refunds ~~or~~ of taxes, owing the person or entity by ~~any state~~
 15 an agency, ~~provided the~~ The state auditor may not exercise this right of offset until the debtor has first
 16 been notified by the state auditor and been given an opportunity for a hearing. An offset may not be made
 17 against any amount paid out as child support collected by the department of social and rehabilitation
 18 services. The state auditor shall deduct from the claim and draw warrants for the amounts offset in favor
 19 of the respective ~~state~~ agencies to which the debt is due and for any balance in favor of the claimant.
 20 Whenever insufficient to offset all amounts due ~~state~~ the agencies, the amount available must be applied
 21 first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ determined
 22 appropriate by the state auditor, ~~in the state auditor's discretion, determines.~~

23 (3) (a) The ~~department state auditor~~ DEPARTMENT OF REVENUE retains the power to offset tax
 24 refunds due individuals against taxes owed ~~the state,~~ provided the department ~~agencies.~~ The state auditor
 25 THE STATE. THE DEPARTMENT may not exercise this right of offset until the taxpayer has been notified
 26 by the ~~department state auditor~~ DEPARTMENT and been given the opportunity to request a review.

27 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the
 28 asserted liability. If a review is requested, the ~~department state auditor~~ DEPARTMENT shall conduct an
 29 informal review conference, which is not subject to the contested case procedures of the Montana
 30 Administrative Procedure Act. A request for a review pursuant to this subsection must be in writing and

1 ~~be delivered to the state auditor's office.~~

2 (c) Appeal from the decision of the ~~department state auditor~~ DEPARTMENT after the review
3 conference may be taken to the state tax appeal board.

4 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the
5 subject matter of any proceeding conducted for the purpose of determining its validity and ~~any a~~ a decision
6 made as a result of that proceeding has become final.

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9 state auditor if the debt is being enforced or collected by the department of social and rehabilitation services
10 under Title IV-D of the Social Security Act.

11 (b) The debt need not be determined to be uncollectible as provided for in 17-4-104 before being
12 transferred to the state auditor for offset. The debt must have accrued through written contract, court
13 judgment, or administrative order.

14 (c) Within 30 days following the notification provided in subsection (2), the person owing a debt
15 described in subsection (4)(a) may request a hearing. The request must be in writing and be mailed to the
16 ~~department of social and rehabilitation services~~ STATE AUDITOR. The person owing a debt is not entitled
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18 purpose of determining the validity of the debt and ~~any a~~ a decision made as a result of that proceeding has
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20 of the Montana Administrative Procedure Act. The department of social and rehabilitation services shall
21 adopt rules ~~necessary to determine~~ governing the hearing procedures.

22 (5) ~~If, in the discretion of the state auditor, the~~ determines that a person or entity ~~refuses or~~
23 ~~neglects~~ has refused or neglected to file a claim within a reasonable time, the head of the state agency
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25 department of administration, it ~~shall have~~ has the same force and effect as though filed by the person or
26 entity. The amount due any person or entity from the state or any agency of the state is the net amount
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 3 debt was originally ~~owing~~ owed. A county shall apply a delinquent personal property tax collection by the
 4 state auditor to the payment of the taxpayer's most delinquent personal property taxes or portion thereof.

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 8 for operation of the debt collection program. Any excess carried forward into the next fiscal year ~~will~~ must
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 10 agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred ~~back~~
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12
 13 **Section 6.** Section 15-16-119, MCA, is amended to read:

14 **"15-16-119. Taxation of personal property -- duty of department -- collection by state**
 15 **auditor.** (1) If the taxes on personal property are not a lien upon real property in the same county in an
 16 amount sufficient to secure the payment of the taxes, the department shall assess the property and
 17 compute the tax for the assessment. The department shall notify the county treasurer of the assessment
 18 and the amount of taxes due. To compute the taxes due on the personal property, the department shall
 19 use the appropriate mills levied during the previous year.

20 (2) The county treasurer shall notify the person against whom the tax is assessed and any other
 21 person having a properly perfected security interest of record of the amount and due date of the tax. The
 22 tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days
 23 become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

24 (3) The county treasurer shall, after the tax becomes delinquent, EITHER PROCEED UNDER
 25 SUBSECTION (7) OR levy upon and take into possession the personal property against which a tax is
 26 assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may
 27 proceed to sell the property in the same manner as property is sold on execution by the sheriff.

28 (4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to
 29 make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy
 30 county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff

1 may receive the same fees as for making a seizure and sale as provided in 15-17-911.

2 (5) The county treasurer and the treasurer's sureties are liable on the treasurer's official bond for
3 all taxes on personal property remaining uncollected by reason of the willful failure and neglect of the
4 treasurer to levy upon and sell the personal property for the taxes levied upon the property, including
5 penalty and interest.

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7 make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy
8 sheriff for payment of the delinquent tax, including penalty and interest.

9 (7) The county treasurer shall give the board of county commissioners a list of delinquent personal
10 property taxpayers and the taxes due. The board may order the county treasurer to verify the list under
11 oath and to send a copy of the list to the state auditor for collection under Title 17, chapter 4, part 1.

12 ~~(7)(8)~~ The provisions of this section do not apply to property for which delinquent property taxes
13 have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."
14

15 NEW SECTION. SECTION 7. COORDINATION INSTRUCTIONS. (1) IF [THIS ACT] AND HOUSE
16 BILL NO. 563 ARE BOTH PASSED AND APPROVED, THEN:

17 (A) THE DEFINITION OF DEPARTMENT IN [SECTION 11] OF HOUSE BILL NO. 563 IS EFFECTIVE
18 AND THE STRIKING OF THE DEFINITION IN [SECTION 1 OF THIS ACT] IS VOID;

19 (B) THE REFERENCES TO "STATE AUDITOR" IN 17-4-103, 17-4-105, AND 17-4-106 OF [THIS
20 ACT] ARE CHANGED TO "DEPARTMENT"; AND

21 (C) REFERENCES TO "STATE AUDITOR" IN 39-51-3207 OF HOUSE BILL NO. 563 ARE CHANGED
22 TO "DEPARTMENT OF ADMINISTRATION".

23 (2) IF [THIS ACT] AND HOUSE BILL NO. 36 ARE BOTH PASSED AND APPROVED, THEN THE
24 REFERENCES TO "STATE AUDITOR" IN 53-1-411 ARE CHANGED TO "DEPARTMENT OF
25 ADMINISTRATION".

26

27 NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 1995.

28

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