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1 2 3 BY REQUEST OF THE HOUSE TAXATION COMMITTEE 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT WHEN THE GRANTOR IDENTIFIED ON A 5 6 REALTY TRANSFER CERTIFICATE IS NOT THE PERSON TO WHOM THE PROPERTY IS ASSESSED, THE 7 DEPARTMENT OF REVENUE MAY NOT SUBSTITUTE THE GRANTEE'S NAME FOR THAT OF THE PERSON TO WHOM THE PROPERTY IS ASSESSED BUT SHALL INCLUDE THE GRANTEE'S NAME WITH THAT OF 8 9 THE PERSON TO WHOM THE PROPERTY IS ASSESSED; PROVIDING THAT ALL TRANSFERS OF REAL PROPERTY MUST BE REPORTED BUT EXEMPTING CERTAIN TRANSFERS FROM THE REQUIREMENT THAT 10 11 THE SALES PRICE BE REPORTED; AMENDING SECTIONS 15-7-304 AND 15-7-307, MCA; AND PROVIDING 12 AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE." 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 14 15 16 Section 1. Section 15-7-304, MCA, is amended to read: 1.7 "15-7-304. Report of transfers -- change of ownership records. (1) All transfers of real property 18

that are not evidenced by a recorded document, except those transfers otherwise provided for in this part, must be reported to the department on the form prescribed.

(2) The department is not required to change any ownership records used for the assessment or taxation of real property unless the department has received a transfer certificate from the clerk and recorder or a and the transfer has been reported to the department as provided by rule. If the grantor on the transfer certificate is not the person to whom the property is assessed on the property tax record, the department may not substitute the grantee's name on the certificate for the name of the current person listed on the property tax record, but the department shall add the grantee's name to the property tax record with the name of the person to whom the property is assessed. The department shall substitute the grantee's name on the property tax record when reliable evidence demonstrates that the grantee is the owner of the property for tax purposes."

Section 2. Section 15-7-307, MCA, is amended to read:



RODUCED BILL

1	"15-7-307. Certificate exceptions. The certificate imposed by this part shall not apply applies
2	to all transfers. However, the certificate filed for the following transfers need not disclose the consideration
3	paid or to be paid for the real estate transferred:
4	(1) an instrument recorded prior to July 1, 1975;
5	(2) the sale of agricultural land when the land is used for agricultural purposes;
6	(3) the sale of timberland when the land is used for producing timber;
7	(4) the United States of America, this state, or any instrumentality, agency, or subdivision thereof;
8	(5) an instrument which (without added consideration) confirms, corrects, modifies, or supplements
9	a previously recorded instrument;
10	(6) a transfer pursuant to court decree;
11	(7) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships,
12	or other business entities;
13	(8) a transfer by a subsidiary corporation to its parent corporation without actual consideration or
14	in sole consideration of the cancellation or surrender of subsidiary stock;
15	(9) a transfer of decedents' estates;
16	(10) a transfer of a gift;
17	(11) a transfer between husband and wife or parent and child with only nominal actual
18	consideration therefor;
19	(12) an instrument the effect of which is to transfer the property to the same party or parties;
20	(13) a sale for delinquent taxes or assessments, sheriff sale, bankruptcy action, or mortgage
21	foreclosure;
22	(14) a transfer made in contemplation of death."
23	
24	NEW SECTION. Section 3. Effective date applicability. [This act] is effective on passage and
25	approval and applies to all transfers after [the effective date of this act].
26	-END-



STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0598, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that when the grantor identified on a realty transfer certificate is not the person to whom the property is assessed, the Department of Revenue may not substitute the grantee's name for that of the person to whom the property is assessed but shall include the grantee's name with that of the person to whom the property is assessed; providing that all transfers of real property must be reported but exempting certain transfers from the requirement that the sales price be reported; and providing an immediate effective date and an applicability date.

FISCAL IMPACT:

The proposal does not impact Department of Revenue expenditures or revenues.

TECHNICAL NOTES:

1) Failure to enact the provisions of this bill would allow and actually provide for the transfer of property on tax records to occur with the filing of any legal transfer document (deed) and realty transfer certificate. If this bill is not enacted, it is possible the department could unknowingly assess property to someone who is not the legal owner of the property.

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

CHASE HIBBARD, PRIMARY SPONSOR DATE Fiscal Note for HB0598, as introduced

HB 598

1) // Hous-2 BILL NO. 598
2	INTRODUCED BY African Ream
3	BY REQUEST OF THE HOUSE TAXATION COMMITTEE
4	
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6	REALTY TRANSFER CERTIFICATE IS NOT THE PERSON TO WHOM THE PROPERTY IS ASSESSED, THE
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9	THE PERSON TO WHOM THE PROPERTY IS ASSESSED; PROVIDING THAT ALL TRANSFERS OF REAL
10	PROPERTY MUST BE REPORTED BUT EXEMPTING CERTAIN TRANSFERS FROM THE REQUIREMENT THAT
11	THE SALES PRICE BE REPORTED; AMENDING SECTIONS 15-7-304 AND 15-7-307, MCA: AND PROVIDING
12	AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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24	department may not substitute the grantee's name on the certificate for the name of the current person
25	listed on the property tax record, but the department shall add the grantee's name to the property tax
26	record with the name of the person to whom the property is assessed. The department shall substitute the
27	grantee's name on the property tax record when reliable evidence demonstrates that the grantee is the
28	owner of the property for tax purposes."
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Montana Legislative Council

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HB 598 SECOND READING L

Section 2. Section 15-7-307, MCA, is amended to read:

1	15-7-307. Certificate exceptions, the certificate imposed by this part shall not apply applies
2	to all transfers. However, the certificate filed for the following transfers need not disclose the consideration
3	paid or to be paid for the real estate transferred:
4	(1) an instrument recorded prior to July 1, 1975;
5	(2) the sale of agricultural land when the land is used for agricultural purposes;
6	(3) the sale of timberland when the land is used for producing timber;
7	(4) the United States of America, this state, or any instrumentality, agency, or subdivision thereof
8	(5) an instrument which (without added consideration) confirms, corrects, modifies, or supplements
9	a previously recorded instrument;
10	(6) a transfer pursuant to court decree;
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HB 598

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SENATE STANDING COMMITTEE REPORT

Page 1 of 1 April 6, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration HB 598 (third reading copy -- blue), respectfully report that HB 598 be amended as follows and as so amended be concurred in.

That such amendments read:

1. Page 1, line 26. Following: "assessed."

Insert: "The department shall mail notification of the change to the person to whom the property is assessed and to the grantee."

-END-

HB 598

SENATE

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SEN VAJ VALKEN BUKES Senator Carrying Bill

1	HOUSE BILL NO. 598
2	INTRODUCED BY HIBBARD, REAM
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