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*House* BILL NO. *586*  
*Swanson*

INTRODUCED BY \_\_\_\_\_

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURE THAT MUST BE FOLLOWED IN NOTIFYING A TAXPAYER OR AN INTERESTED PERSON OF A TAX DELINQUENCY; AND AMENDING SECTIONS 15-16-119 AND 15-18-413, MCA."

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

**Section 1.** Section 15-16-119, MCA, is amended to read:

**"15-16-119. Taxation of personal property -- duty of department -- collection by state auditor.**

(1) If the taxes on personal property are not a lien upon real property in the same county in an amount sufficient to secure the payment of the taxes, the department shall assess the property and compute the tax for the assessment. The department shall notify the county treasurer of the assessment and the amount of taxes due. To compute the taxes due on the personal property, the department shall use the appropriate mills levied during the previous year.

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

(3) The county treasurer shall, after the tax becomes delinquent:

(a) notify the delinquent taxpayer and any other person having a properly perfected interest of record of the delinquency;

(b) give the taxpayer and any other person having a properly perfected interest of record 10 days to pay the taxes; and

(c) if the taxes are not paid, either proceed under subsection (7) or levy upon and take into possession the personal property against which a tax is assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may proceed to sell the property in the same manner as property is sold on execution by the sheriff.

(4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to

1 make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy  
2 county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff  
3 may receive the same fees as for making a seizure and sale as provided in 15-17-911.

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

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

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

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

16  
17 **Section 2.** Section 15-18-413, MCA, is amended to read:

18 **"15-18-413. Title conveyed by deed -- defects.** (1) All deeds executed more than 3 years after  
19 the applicable tax sale convey to the grantee absolute title to the property described in the deed as of 3  
20 years following the date of sale of the property interest at the tax sale.

21 (2) The conveyance includes:

22 (a) all right, title, interest, estate, lien, claim, and demand of the state of Montana and of the  
23 county in and to the property; and

24 (b) the right, if the tax deed, tax sale, or any of the tax proceedings upon which the deed may be  
25 based are attacked and held irregular or void, to recover the unpaid taxes, interest, penalties, and costs that  
26 would accrue if the tax proceedings had been regular and it was desired to redeem the property.

27 (3) The tax deed is free of all encumbrances except as provided in 15-18-214(1)(a) through (1)(c).

28 (4) A tax deed is prima facie evidence of the right of possession accruing as of the date of the  
29 expiration of the redemption period described in 15-18-111.

30 (5) If any tax deed or deed purporting to be a tax deed is issued more than 3 years and 30 days

1 after the date of the sale of the property interest at the applicable tax sale, the grantee may ~~publish~~ serve  
 2 notice on interested parties, as defined in 15-18-111. If an interested party's name and address is  
 3 reasonably ascertainable, notice must be made in person or by certified mail. If an interested party's name  
 4 or address is not reasonably ascertainable, notice may be served by publishing in the official newspaper  
 5 of the county, once a week for 2 consecutive weeks, a notice entitled "Notice of Claim of a Tax Title". The  
 6 notice must:

7 (a) describe all property claimed to have been acquired by a tax deed;

8 (b) contain an estimate of the amount due on the property for delinquent taxes, interest, penalties,  
 9 and costs;

10 (c) contain a statement that for further specific information, reference must be made to the records  
 11 in the office of the county treasurer;

12 (d) list the name and address of record of the person in whose name the property was assessed  
 13 or taxed; and

14 (e) contain a statement that demand is made that ~~the person assessed or taxed~~ an interested party  
 15 ~~must~~ shall, within 30 days after notice in person, by certified mail, or the first publication of the notice,  
 16 whichever is later, pay to the claimant or to the county treasurer for use by the claimant the amount of  
 17 taxes, interest, penalties, and costs as the same appear in the records of the county treasurer or bring a  
 18 suit to quiet the true owner's title to the property or to set aside the tax deed.

19 (6) If the property is redeemed, the county treasurer shall issue a certificate of redemption from  
 20 tax deed and deliver it to the redeemer. The redeemer may record the certificate with the clerk and  
 21 recorder.

22 ~~(6)(7)~~ A mistake in the amount or in any name specified in the notice does not invalidate the notice.

23 ~~(7)(8)~~ (a) If within the 30-day period the taxes, interest, penalties, and costs are not paid or a quiet  
 24 title action is not brought, all defects in the tax proceedings and any right of redemption is considered  
 25 waived. Except as provided in subsection ~~(7)(b)~~ (8)(b), after the 30-day period the title to the property  
 26 described in the notice and in the tax deed is valid and binding, irrespective of any irregularities, defects,  
 27 omissions, or total failure to observe any of the provisions of the laws of Montana regarding the  
 28 assessment, levying of taxes, or sale of property for taxes and the giving of notices, whether or not such  
 29 irregularities, defects, omissions, or failures could void the proceedings.

30 (b) The proceedings in subsection ~~(7)(a)~~ (8)(a) are void if the taxes were not delinquent or have

1 been paid."

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