

1
2 INTRODUCED BY *Pat Holden* ^{SB} BILL NO. 130

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ACTUAL NOTICE TO TAXPAYERS WHOSE NAMES
5 AND ADDRESSES ARE REASONABLY ASCERTAINABLE IN TAX SALE PROCEEDINGS; AMENDING
6 SECTION 15-18-413, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7

8 WHEREAS, the Montana Supreme Court held in Tax Lien Services v. Hall, 53 St. Rep. 614 (1996),
9 that actual notice of a tax sale is required for taxpayers whose names and addresses are reasonably
10 ascertainable.

11

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

13

14 Section 1. Section 15-18-413, MCA, is amended to read:

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

18 (2) The conveyance includes:

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

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

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

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

27 (5) (a) ~~Subject to subsection (5)(b), if~~ any tax deed or deed purporting to be a tax deed is issued
28 more than 3 years and 30 days after the date of the sale of the property interest at the applicable tax sale,
29 the grantee may publish in the official newspaper of the county, once a week for 2 consecutive weeks, a
30 notice entitled "Notice of Claim of a Tax Title". The notice must:

- 1 ~~(a)~~(i) describe all property claimed to have been acquired by a tax deed;
- 2 ~~(b)~~(ii) contain an estimate of the amount due on the property for delinquent taxes, interest,
- 3 penalties, and costs;
- 4 ~~(c)~~(iii) contain a statement that for further specific information, reference must be made to the
- 5 records in the office of the county treasurer;
- 6 ~~(d)~~(iv) list the name and address of record of the person in whose name the property was assessed
- 7 or taxed; and
- 8 ~~(e)~~(v) contain a statement that demand is made that the person assessed or taxed ~~must~~ shall,
- 9 within 30 days after the first publication of the notice, pay to the claimant or to the county treasurer for
- 10 use by the claimant the amount of taxes, interest, penalties, and costs as the same appear in the records
- 11 of the county treasurer or bring a suit to quiet the true owner's title or to set aside the tax deed.

12 **(b) The notice described in subsection (5)(a) must be served on a taxpayer whose name and**

13 **address are reasonably ascertainable.**

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

15 (7) (a) If within the 30-day period the taxes, interest, penalties, and costs are not paid or a quiet

16 title action is not brought, all defects in the tax proceedings and any right of redemption ~~is~~ are considered

17 waived. Except as provided in subsection (7)(b), after the 30-day period, the title to the property described

18 in the notice and in the tax deed is valid and binding, irrespective of any irregularities, defects, omissions,

19 or total failure to observe any of the provisions of the laws of Montana regarding the assessment, levying

20 of taxes, or sale of property for taxes and the giving of notices, whether or not ~~such~~ the irregularities,

21 defects, omissions, or failures could void the proceedings.

22 (b) The proceedings in subsection (7)(a) are void if the taxes were not delinquent or have been

23 paid."

24

25 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

26

-END-

APPROVED BY COM ON
LOCAL GOVERNMENT

1
2 INTRODUCED BY *Joe Holden* ^{SB} BILL NO. 130

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22 based are attacked and held irregular or void, to recover the unpaid taxes, interest, penalties, and costs that
23 would accrue if the tax proceedings had been regular and it was desired to redeem the property.

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- 7 or taxed; and
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- 9 within 30 days after the first publication of the notice, pay to the claimant or to the county treasurer for
- 10 use by the claimant the amount of taxes, interest, penalties, and costs as the same appear in the records
- 11 of the county treasurer or bring a suit to quiet the true owner's title or to set aside the tax deed.
- 12 **(b) The notice described in subsection (5)(a) must be served on a taxpayer whose name and**
- 13 **address are reasonably ascertainable.**
- 14 (6) A mistake in the amount or in any name specified in the notice does not invalidate the notice.
- 15 (7) (a) If within the 30-day period the taxes, interest, penalties, and costs are not paid or a quiet
- 16 title action is not brought, all defects in the tax proceedings and any right of redemption ~~is~~ are considered
- 17 waived. Except as provided in subsection (7)(b), after the 30-day period, the title to the property described
- 18 in the notice and in the tax deed is valid and binding, irrespective of any irregularities, defects, omissions,
- 19 or total failure to observe any of the provisions of the laws of Montana regarding the assessment, levying
- 20 of taxes, or sale of property for taxes and the giving of notices, whether or not ~~such~~ the irregularities,
- 21 defects, omissions, or failures could void the proceedings.
- 22 (b) The proceedings in subsection (7)(a) are void if the taxes were not delinquent or have been
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INTRODUCED BY *Ric Holden* ^{SB} BILL NO. 130

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ACTUAL NOTICE TO TAXPAYERS WHOSE NAMES AND ADDRESSES ARE REASONABLY ASCERTAINABLE IN TAX SALE PROCEEDINGS; AMENDING SECTION 15-18-413, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Montana Supreme Court held in Tax Lien Services v. Hall, 53 St. Rep. 614 (1996), that actual notice of a tax sale is required for taxpayers whose names and addresses are reasonably ascertainable.

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

Section 1. Section 15-18-413, MCA, is amended to read:

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

(2) The conveyance includes:

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

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

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

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

(5) (a) ~~Subject to subsection (5)(b),~~ if any tax deed or deed purporting to be a tax deed is issued more than 3 years and 30 days after the date of the sale of the property interest at the applicable tax sale, the grantee may publish in the official newspaper of the county, once a week for 2 consecutive weeks, a notice entitled "Notice of Claim of a Tax Title". The notice must:

1 ~~(a)~~(i) describe all property claimed to have been acquired by a tax deed;

2 ~~(b)~~(ii) contain an estimate of the amount due on the property for delinquent taxes, interest,
3 penalties, and costs;

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

6 ~~(d)~~(iv) list the name and address of record of the person in whose name the property was assessed
7 or taxed; and

8 ~~(e)~~(v) contain a statement that demand is made that the person assessed or taxed ~~must~~ shall,
9 within 30 days after the first publication of the notice, pay to the claimant or to the county treasurer for
10 use by the claimant the amount of taxes, interest, penalties, and costs as the same appear in the records
11 of the county treasurer or bring a suit to quiet the true owner's title or to set aside the tax deed.

12 **(b) The notice described in subsection (5)(a) must be served on a taxpayer whose name and**
13 **address are reasonably ascertainable.**

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

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

22 (b) The proceedings in subsection (7)(a) are void if the taxes were not delinquent or have been
23 paid."

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25 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

26

-END-

SENATE BILL NO. 130

INTRODUCED BY HOLDEN

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE NOTICE REQUIREMENTS IN TAX SALE PROCEEDINGS; REQUIRING ACTUAL NOTICE TO TAXPAYERS WHOSE NAMES AND ADDRESSES ARE REASONABLY ASCERTAINABLE IN TAX SALE PROCEEDINGS; AMENDING SECTION 15-18-413, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Montana Supreme Court held in Tax Lien Services v. Hall, 53 St. Rep. 614 (1996), that actual notice of a tax sale is required for taxpayers whose names and addresses are reasonably ascertainable.

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

Section 1. Section 15-18-413, MCA, is amended to read:

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

(2) The conveyance includes:

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

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

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

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

(5) (a) If Subject to subsection (5)(b), if any tax deed or deed purporting to be a tax deed is issued more than 3 years and 30 days after the date of the sale of the property interest at the applicable tax sale, the grantee may publish in the official newspaper of the county, once a week for 2 consecutive weeks, a

1 notice entitled "Notice of Claim of a Tax Title". The notice must:

2 ~~(a)~~(i) describe all property claimed to have been acquired by a tax deed;

3 ~~(b)~~(ii) contain an estimate of the amount due on the property for delinquent taxes, interest,
4 penalties, and costs;

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

7 ~~(d)~~(iv) list the name and address of record of the person in whose name the property was assessed
8 or taxed; and

9 ~~(e)~~(v) contain a statement that demand is made that the ~~person assessed or taxed~~ TRUE OWNER
10 ~~must shall~~, within 30 days after THE LATER OF SERVICE OR the first publication of the notice, pay to ~~the~~
11 ~~claimant or to~~ the county treasurer for use by the claimant the amount of taxes, interest, penalties, and
12 costs as the same appear in the records of the county treasurer or THE TRUE OWNER MAY bring a suit to
13 quiet the true owner's title or to set aside the tax deed.

14 (b) The notice described in subsection (5)(a) must be served on a taxpayer whose name and
15 address are reasonably ascertainable.

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

17 ~~(7)(6)~~ (a) PROVIDED THAT THE STATUTORY REQUIREMENTS FOR A NOTICE OF INTENDED
18 ISSUANCE OF A TAX DEED REQUIRED BY 15-18-212 HAVE BEEN COMPLIED WITH AND IF within the
19 30-day period the taxes, interest, penalties, and costs are not paid or a quiet title action is not brought, all
20 defects in the tax proceedings and any right of redemption ~~is~~ are considered waived. Except as provided
21 in subsection ~~(7)(b)~~ (6)(B), after the 30-day period, the title to the property described in the notice and in
22 the tax deed is valid and binding, irrespective of any irregularities, defects, OR omissions, ~~or total failure~~
23 ~~to observe~~ IN any of the provisions of the laws of Montana regarding the assessment, levying of taxes, or
24 sale of property for taxes ~~and the giving of notices~~, whether or not ~~such~~ the irregularities, defects, OR
25 omissions, ~~or failures~~ could void the proceedings.

26 (b) The proceedings in subsection ~~(7)(a)~~ (6)(A) are void if the taxes were not delinquent or have
27 been paid."

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29 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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1 SENATE BILL NO. 130

2 INTRODUCED BY HOLDEN

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE NOTICE REQUIREMENTS IN TAX SALE
 5 PROCEEDINGS; REQUIRING ACTUAL NOTICE TO TAXPAYERS WHOSE NAMES AND ADDRESSES ARE
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19 (2) The conveyance includes:

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

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11 ~~claimant or to~~ the county treasurer for use by the claimant the amount of taxes, interest, penalties, and
12 costs as the same appear in the records of the county treasurer TO REDEEM THE PROPERTY or THE TRUE
13 OWNER MAY bring a suit to quiet the true owner's title or to set aside the tax deed.

14 (b) The notice described in subsection (5)(a) must be served on a taxpayer whose name and
15 address are reasonably ascertainable.

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

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18 ISSUANCE OF A TAX DEED REQUIRED BY 15-18-212 HAVE BEEN COMPLIED WITH AND IF within the
19 30-day period the taxes, interest, penalties, and costs are not paid or a quiet title action is not brought, all
20 defects in the tax proceedings and any right of redemption ~~is~~ are considered waived. Except as provided
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24 sale of property for taxes ~~and the giving of notices~~, whether or not ~~such~~ the irregularities, defects, OR
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