

## HOUSE BILL NO. 441

INTRODUCED BY CYR, BLACK, BOHLINGER, DEPRATU, DOWELL, ERICKSON, FORRESTER,  
HARRINGTON, LASLOVICH, A. OLSON, B. OLSON, TESTER, WANZENRIED, FISHER, MCGEE,  
NEWMAN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE PRORATION OF PROPERTY TAXES ON  
CENTRALLY ASSESSED PROPERTY WHEN LAND IS SUBDIVIDED; AND AMENDING ~~SECTION~~ SECTIONS  
15-16-102 AND 76-3-207, MCA."

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

**SECTION 1. SECTION 15-16-102, MCA, IS AMENDED TO READ:**

**"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or canceled under the  
provisions of Title 15, chapter 24, part 17, all taxes levied and assessed in the state of Montana, except  
assessments made for special improvements in cities and towns payable under 15-16-103, are payable as  
follows:

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

(2) Unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within  
30 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws  
interest at the rate of 5/6 of 1% a month from and after the delinquency until paid and 2% must be added to the  
delinquent taxes as a penalty.

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

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

(b) If taxes on property qualifying under the low-income property tax assistance provisions of  
15-6-134(1)(c) and 15-6-191 are paid within 20 calendar days of the date on which the taxes are due, the taxes

1 may be paid without penalty or interest. If a tax payment is made later than 20 days after the taxes were due,  
2 the penalty must be paid and interest accrues from the date on which the taxes were due.

3 (5) A taxpayer may pay current year taxes without paying delinquent taxes. The county treasurer shall  
4 accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full taxable  
5 years, provided that taxes for both halves of the current tax year have been paid. Payment of taxes for  
6 delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of taxes for  
7 the current tax year is not a redemption of the property tax lien for any delinquent tax year.

8 (6) The penalty and interest on delinquent assessment payments for specific parcels of land may be  
9 waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.

10 (7) If the department revises an assessment that results in an additional tax of \$5 or less, an additional  
11 tax is not owed and a new tax bill does not need to be prepared.

12 (8) The county treasurer may accept a partial payment of centrally assessed property taxes as provided  
13 in 76-3-207."

14  
15 **Section 2.** Section 76-3-207, MCA, is amended to read:

16 **"76-3-207. Subdivisions exempted from review but subject to survey requirements -- exceptions.**

17 (1) Except as provided in subsection (2), unless the method of disposition is adopted for the purpose of evading  
18 this chapter, the following divisions of land are not subdivisions under this chapter but are subject to the  
19 surveying requirements of 76-3-401 for divisions of land not amounting to subdivisions:

20 (a) divisions made outside of platted subdivisions for the purpose of relocating common boundary lines  
21 between adjoining properties;

22 (b) divisions made outside of platted subdivisions for the purpose of a single gift or sale in each county  
23 to each member of the landowner's immediate family;

24 (c) divisions made outside of platted subdivisions by gift, sale, or agreement to buy and sell in which  
25 the parties to the transaction enter a covenant running with the land and revocable only by mutual consent of  
26 the governing body and the property owner that the divided land will be used exclusively for agricultural  
27 purposes;

28 (d) for five or fewer lots within a platted subdivision, relocation of common boundaries and the  
29 aggregation of lots; and

30 (e) divisions made for the purpose of relocating a common boundary line between a single lot within

1 a platted subdivision and adjoining land outside a platted subdivision. A restriction or requirement on the original  
2 platted lot or original unplatted parcel continues to apply to those areas.

3 (2) Notwithstanding the provisions of subsection (1):

4 (a) within a platted subdivision filed with the county clerk and recorder, a division of lots that results in  
5 an increase in the number of lots or ~~which that~~ redesigns or rearranges six or more lots must be reviewed and  
6 approved by the governing body and an amended plat must be filed with the county clerk and recorder;

7 (b) a change in use of the land exempted under subsection (1)(c) for anything other than agricultural  
8 purposes subjects the division to the provisions of this chapter.

9 (3) (a) A Subject to subsection (3)(b), a division of land may not be made under this section unless the  
10 county treasurer has certified that all real property taxes and special assessments assessed and levied on the  
11 land to be divided have been paid.

12 (b) (i) If a division of land includes centrally assessed property and the property taxes applicable to the  
13 division of land are not specifically identified in the tax assessment, the department of revenue shall prorate the  
14 taxes applicable to the land being divided on a reasonable basis. THE OWNER OF THE CENTRALLY ASSESSED  
15 PROPERTY SHALL ENSURE THAT THE PRORATED REAL PROPERTY TAXES AND SPECIAL ASSESSMENTS ARE PAID ON THE  
16 LAND BEING SOLD, BEFORE THE DIVISION OF LAND IS MADE.

17 (ii) THE COUNTY TREASURER MAY ACCEPT THE AMOUNT OF THE TAX PRORATED PURSUANT TO THIS SUBSECTION  
18 (3)(B) AS A PARTIAL PAYMENT OF THE TOTAL TAX THAT IS DUE."

19 - END -