

HOUSE BILL NO. 618

INTRODUCED BY T. JACOBSON

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCESS FOR THE SALE OF A TAX LIEN AND
5 ISSUANCE OF A TAX DEED FOR DELINQUENT TAXES WHEN THE DELINQUENT PROPERTY IS A
6 PRINCIPAL RESIDENCE; REVISING THE INTEREST RATE PAYABLE ON TAX DELINQUENCIES ON
7 PRINCIPAL RESIDENCES; ALLOWING INSTALLMENT PAYMENTS OF DELINQUENT TAXES ON PRINCIPAL
8 RESIDENCES; PROVIDING FOR ADDITIONAL NOTIFICATION OF A TAX LIEN SALE FOR A PRINCIPAL
9 RESIDENCE; AMENDING SECTIONS 15-16-101, 15-16-102, 15-17-121, 15-17-122, 15-17-123, 15-17-131,
10 15-17-212, 15-17-318, 15-17-319, 15-17-320, 15-17-321, 15-18-113, 15-18-114, 15-18-211, AND 15-18-212,
11 MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

14
15 NEW SECTION. **Section 1. Sale of principal residence for tax lien.** (1) Whenever a tax lien
16 certificate has been issued on a principal residence and a tax deed would be issued pursuant to 15-18-211, the
17 county treasurer shall notify the county commissioners that a tax lien certificate for a principal residence has been
18 issued and the county commissioners shall proceed to auction the property as provided for in Title 7, chapter 8,
19 part 23, as if the property had been acquired by the county by tax deed.

20 (2) If the property does not sell at auction, the county is considered to be the purchaser and the county
21 treasurer shall proceed under 15-18-211(3).

22 (3) If the property sells at auction less than 6 months after the tax lien certificate is issued and the person
23 who purchases the property at auction:

24 (a) is the person, other than the county, who holds the tax lien certificate, the county treasurer may not
25 reimburse the person for taxes or assessments, including penalties, interests, or costs, if any, but shall allocate
26 to the county all current taxes and assessments, including penalties and interest, if any, which must be distributed
27 as provided in 15-17-322(1), and all costs, which must be deposited in the county general fund, and forward the
28 remainder to the person who owned the property at the time the tax sale certificate was issued;

29 (b) is the county, the county treasurer shall allocate to the county all delinquent and current taxes and
30 assessments, including penalties and interest, if any, which must be distributed as provided for in 15-17-322(1),

1 and all costs, which must be deposited in the county general fund, and forward the remainder to the person who
2 owned the property at the time the property was sold at auction; or

3 (c) is not the person who holds the tax lien certificate or the county, the county treasurer shall allocate
4 the proceeds from the sale of the property in the following order:

5 (i) to the person holding the tax lien certificate, the amount of all delinquent taxes and assessments,
6 including penalties, interest, and costs, paid by the person in acquiring the tax lien certificate;

7 (ii) to the county, all current taxes and assessments, including penalties and interest, if any, which must
8 be distributed as provided for in 15-17-322(1), and all costs, which must be deposited in the county general fund;
9 and

10 (iii) the remainder to the person who owned the property at the time the tax sale certificate was issued.

11 (4) If the property is sold, by auction or otherwise, 6 months or more after the tax lien certificate is issued,
12 the county treasurer shall reimburse the county for all unreimbursed costs incurred by the county in regard to the
13 property, which must be deposited in the county general fund, and shall allocate to the county all remaining
14 proceeds, which must be distributed as provided for in 15-17-322(1).

15 (5) As soon as practicable after sale of the property under this section, the county treasurer shall issue
16 a tax deed in the manner provided for in 15-18-211 as if the property was not a principal residence.

17

18 **Section 2.** Section 15-16-101, MCA, is amended to read:

19 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt
20 of the property tax record, the county treasurer shall publish a notice specifying:

21 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next
22 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount
23 then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month or, for taxes due on a principal
24 residence, at a rate of 2% above the prime rate, as published on the date of delinquency, a month from the time
25 of delinquency until paid and that 2% will be added to the delinquent taxes as a penalty;

26 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next
27 May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6
28 of 1% a month or, for taxes due on a principal residence, at a rate of 2% above the prime rate, as published on
29 the date of delinquency, a month from the time of delinquency until paid and that 2% will be added to the
30 delinquent taxes as a penalty; and

1 (c) the time and place at which payment of taxes may be made.

2 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,
3 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due
4 and delinquent for other years. The written notice must include:

5 (i) the taxable value of the property;

6 (ii) the total mill levy applied to that taxable value;

7 (iii) itemized city services and special improvement district assessments collected by the county;

8 (iv) the number of the school district in which the property is located;

9 (v) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and
10 other tax; and

11 (vi) a notice of the availability of all the property tax assistance programs available to property taxpayers,
12 including the property tax assistance program under 15-6-134, the extended property tax assistance program
13 under 15-6-193, the disabled or deceased veterans' residence exemption under 15-6-211, and the residential
14 property tax credit for the elderly under 15-30-2337 through 15-30-2341.

15 (b) If the property is the subject of a tax lien sale for which a tax lien sale certificate has been issued
16 under 15-17-212, the notice must also include, in a manner calculated to draw attention, a statement that the
17 property is the subject of a tax lien sale and that the taxpayer may contact the county treasurer for complete
18 information.

19 (3) The municipality shall, upon request of the county treasurer, provide the information to be included
20 under subsection (2)(a)(iii) ready for mailing.

21 (4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper
22 published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish
23 or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the
24 current year or of delinquent tax will not affect the legality of the tax.

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

27 (6) For purposes of this section, "prime rate" and "principal residence" have the meanings provided in
28 15-17-121."

29

30 **Section 3.** Section 15-16-102, MCA, is amended to read:

1 **"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or canceled under the
2 provisions of 10-1-606 or Title 15, chapter 24, part 17, all taxes levied and assessed in the state of Montana,
3 except assessments made for special improvements in cities and towns payable under 15-16-103, are payable
4 as follows:

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

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

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

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

19 (b) If taxes on property qualifying under the low-income property tax assistance provisions of
20 15-6-134(1)(c) are paid within 20 calendar days of the date on which the taxes are due, the taxes may be paid
21 without penalty or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must
22 be paid and interest accrues from the date on which the taxes were due.

23 (5) (a) A taxpayer may pay current year taxes without paying delinquent taxes.

24 (b) ~~The~~ Except as provided in subsection (5)(c) or (8), the county treasurer shall accept a partial payment
25 equal to the delinquent taxes, including penalty and interest, for one or more full tax years if taxes for both halves
26 of the current tax year have been paid.

27 (c) If the property on which a taxpayer wishes to pay current year taxes is a principal residence and the
28 taxpayer is the person to whom the property is assessed, the county treasurer shall, only if taxes for both halves
29 of the current tax year have been paid, accept payment equal to the total delinquent taxes, including penalty and
30 interest at a rate of 2% above the prime rate, as published on the date of delinquency:

- 1 (i) for one or more full tax years; or
 2 (ii) for the total amount due but payable in equal payments on a schedule to be completed within 1 year
 3 or less as determined by the county treasurer with the approval of the county commission.
 4 (d) Payment of taxes for delinquent taxes must be applied to the taxes that have been delinquent the
 5 longest.
 6 (e) The payment of taxes for the current tax year is not a redemption of the property tax lien for any
 7 delinquent tax year.
 8 ~~(b)~~(f) A payment by a co-owner of an undivided ownership interest that is subject to a separate
 9 assessment otherwise meeting the requirements of subsection ~~(5)(a)~~ (5)(b) or (5)(c) is not a partial payment.
 10 (6) The penalty and interest on delinquent assessment payments due to a municipality or a political
 11 subdivision of a municipality for specific parcels of land may be waived by resolution of the city council. A copy
 12 of the resolution must be certified to the county treasurer.
 13 (7) If the department revises an assessment that results in an additional tax of \$5 or less, an additional
 14 tax is not owed and a new tax bill does not need to be prepared.
 15 (8) The county treasurer may accept a partial payment of centrally assessed property taxes as provided
 16 in 76-3-207.
 17 (9) For purposes of this section, "prime rate" and "principal residence" have the meanings provided in
 18 15-17-121."

- 19
 20 **Section 4.** Section 15-17-121, MCA, is amended to read:
 21 **"15-17-121. Definitions.** Except as otherwise specifically provided, when terms mentioned in Title 15,
 22 chapters 17 and 18, are used in connection with taxation, they are defined in the following manner:
 23 (1) "Certificate" or "tax lien sale certificate" means the document described in 15-17-212.
 24 (2) (a) "Cost" means the cost incurred by the county as a result of a taxpayer's failure to pay taxes when
 25 due. It includes but is not limited to any actual out-of-pocket expenses incurred by the county plus the
 26 administrative cost of:
 27 (i) preparing the list of delinquent taxes;
 28 (ii) preparing the notice of pending tax lien sale;
 29 (iii) conducting the tax lien sale;
 30 (iv) assigning the county's interest in a tax lien to a third party;

- 1 (v) identifying interested persons entitled to notice of the pending issuance of a tax deed;
- 2 (vi) notifying interested persons;
- 3 (vii) issuing the tax deed; and
- 4 (viii) any other administrative task associated with accounting for or collecting delinquent taxes.
- 5 (b) The term includes costs that are required by law and incurred by the purchaser of a property tax lien
- 6 other than the county. The county treasurer may require the purchaser of the property tax lien to provide receipts
- 7 or may allow the purchaser of the property tax lien to provide a notarized affidavit of costs to the county treasurer
- 8 upon issuance of a tax lien sale certificate as required in 15-17-212 and notification that a tax deed may be issued
- 9 as required by 15-18-212 and 15-18-216. A county treasurer may at any time require a purchaser who provided
- 10 an affidavit of costs to submit the receipted costs upon which the affidavit was based.
- 11 (c) The term does not include interest for payments for the following:
- 12 (i) postage for certified mailings and certified mailings with return receipt requested;
- 13 (ii) a title search, to the extent necessary to identify interested persons entitled to notice of the pending
- 14 issuance of a tax deed;
- 15 (iii) publishing costs for required publications; and
- 16 (iv) filing costs for proof of notice.
- 17 (3) "County" means any county government and includes those classified as consolidated governments.
- 18 (4) "Prime rate" means the prime rate published by the federal reserve system in its statistical release
- 19 H.15 Selected Interest Rates for bank prime loans.
- 20 (5) "Principal residence" means a residential dwelling that is a single-family dwelling unit, unit of a
- 21 multiple-unit dwelling, trailer, manufactured home, or mobile home that is occupied by the owner for at least 7
- 22 months during the tax year.
- 23 ~~(4)~~(6) "Property tax lien" means a lien acquired by the payment at a tax lien sale of all outstanding
- 24 delinquent taxes, including penalties, interest, and costs.
- 25 ~~(5)~~(7) "Purchaser" means any person, other than the person to whom the property is assessed, who
- 26 pays at the tax lien sale the delinquent taxes, including penalties, interest, and costs, and receives a certificate
- 27 representing a lien on the property or who is otherwise listed as the purchaser. An assignee is a purchaser.
- 28 ~~(6)~~(8) "Tax", "taxes", or "property taxes" means all ad valorem property taxes, property assessments,
- 29 fees related to property, and assessments for special improvement districts and rural special improvement
- 30 districts.

1 ~~(7)~~(9) "Tax lien sale" means:

2 (a) with respect to real property and improvements, the offering for sale by the county treasurer of a
3 property tax lien representing delinquent taxes, including penalties, interest, and costs; and

4 (b) with respect to personal property, the offering for sale by the county treasurer of personal property
5 on which the taxes are delinquent or other personal property on which the delinquent taxes are a lien."
6

7 **Section 5.** Section 15-17-122, MCA, is amended to read:

8 **"15-17-122. Notice of pending tax lien sale.** (1) The county treasurer shall publish or post a notice of
9 a pending tax lien sale. The notice must include:

10 (a) the specific time, date, and place an interest in the property on which the taxes are delinquent will
11 be offered for sale;

12 (b) a statement that the delinquent taxes, including penalties, interest, and costs, are a lien upon the
13 property and that unless the delinquent taxes, penalties, interest, and costs are paid prior to the time of the tax
14 lien sale, the lien will be offered for sale at the time and place specified in subsection (1)(a).

15 (2) The notice required in subsection (1) must also include a statement that a list of each property on
16 which the taxes are delinquent is on file in the office of the county treasurer and open to inspection. The list must
17 include:

18 (a) the name and address of the person to whom the delinquent taxes are assessed;

19 (b) the amounts of the delinquent taxes, all accrued penalties, interest, and other costs; and

20 (c) a statement that penalties, interest, and costs will be added to delinquent taxes.

21 (3) ~~(a)~~ The Subject to subsection (3)(b), the notice must be published once a week for 3 consecutive
22 weeks in the newspaper designated for county printing as provided in 18-7-411. If no newspaper is published in
23 the county, the notice must be posted by the county treasurer in three public places. The notice must be first
24 published or posted on or before the last Monday in June.

25 **(b) If the tax lien is on a principal residence, the notice of the tax lien sale must also include:**

26 **(i) specific information that the property owner may be eligible for a property tax reduction pursuant to**
27 **15-6-134(1)(c), a property tax credit pursuant to 15-30-2336 or 15-30-2337 through 15-30-2341, or other property**
28 **tax reduction provisions of Title 15, chapter 30, part 23;**

29 **(ii) a writ of execution, issued by the county treasurer and served by the sheriff, that must be**
30 **accompanied by a statement that unless the tax lien is redeemed pursuant to 15-18-111 or 15-18-112:**

1 (A) the sheriff will proceed pursuant to 15-16-401 and Title 25, chapter 13; and
 2 (B) the property may be sold for the amount of the delinquency to anyone other than the person to whom
 3 the property taxes are assessed.

4 (4) Except as provided in 15-17-211(2), the tax lien sale may not be held less than 21 days or more than
 5 28 days from the date of first publication or first day the notice is posted.

6 (5) The sale must be held at the office of the county treasurer.

7 (6) Property on which taxes are delinquent but for which proper notification was not made may not be
 8 included in the current year's notice and tax lien sale. In the event of improper notification, the tax lien sale may
 9 be held on all property properly noticed.

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

12

13 **Section 6.** Section 15-17-123, MCA, is amended to read:

14 **"15-17-123. Copy of notice to be filed with county clerk -- affidavit.** (1) Immediately following
 15 publication or posting of the notice required in 15-17-122, the county treasurer shall file a copy of the notice with
 16 the county clerk. The copy must be accompanied by an affidavit signed by the county treasurer stating:

17 (a) the name of the newspaper and its address of publication; ~~and~~

18 (b) the dates the notice was published; and

19 (c) if the notice is for the sale of a tax lien on a principal residence, that the requirements of
 20 15-17-122(3)(b) were met.

21 (2) If no newspaper is published in the county, the affidavit must list the locations and date of the posting
 22 required by 15-17-122.

23 (3) The affidavit filed under subsection (1) or (2) is prima facie evidence of all the facts stated therein."
 24

25 **Section 7.** Section 15-17-131, MCA, is amended to read:

26 **"15-17-131. Common undivided ownership interest -- separate assessment -- property tax**
 27 **payments.** (1) Except as provided in subsection (2), payment of all property taxes on a parcel by any co-owner
 28 is considered payment by all owners, whether or not the property is assessed and taxed separately to co-owners
 29 or to a single owner. Any payment by a co-owner in excess of the amount assessed to the co-owner must be the
 30 total amount due on the parcel or a partial payment ~~amounting to a year of deficiency~~, as provided in

1 15-16-102~~(5)(a)~~(5)(b) or (5)(c). The nonpayment of taxes by a co-owner who is separately assessed and taxed
 2 subjects only the interest of the nonpaying co-owner to a tax lien sale.

3 (2) (a) A co-owner may receive a tax lien on property in which the co-owner has an undivided interest
 4 if:

5 (i) the co-owner pays the proportional amount of taxes on that co-owner's interest and on another
 6 co-owner's interest;

7 (ii) the paying co-owner has notified the nonpaying co-owner of the property tax payments and annually
 8 demands reimbursement in writing by certified mail, return receipt requested, addressed to the nonpaying
 9 co-owner's last-known mailing address; and

10 (iii) the paying co-owner has paid the property taxes for 3 consecutive years without reimbursement.

11 (b) Upon proof that a co-owner has complied with the provisions of this subsection (2), the paying
 12 co-owner is considered the purchaser of a tax lien on the ownership interest of the nonpaying co-owner and the
 13 county treasurer shall prepare a tax lien sale certificate with the paying co-owner as the purchaser. The certificate
 14 shall conform to the provisions of 15-17-212, except the certificate need not contain the information required in
 15 15-17-212(1)(a), ~~and (1)(b), or (1)(c), as applicable.~~ The treasurer shall comply with the provisions of
 16 15-17-212(2) regarding the certificate.

17 (c) For the purposes of this subsection (2), if there are more than two co-owners, single and multiple
 18 paying co-owners can receive a tax lien on the undivided interests of single and multiple nonpaying co-owners."

19

20 **Section 8.** Section 15-17-212, MCA, is amended to read:

21 "**15-17-212. Tax lien sale certificate.** (1) After receiving proof of mail notice to the person to whom the
 22 property was assessed, as required by subsection (3), and upon receipt of all delinquent taxes, penalties, interest,
 23 and costs, the county treasurer shall prepare a tax lien sale certificate that must contain:

24 (a) the date on which the property taxes became delinquent;

25 (b) the date on which a property tax lien was sold at a tax lien sale;

26 (c) the name and address of record of the person to whom the taxes were assessed;

27 (d) a description of the property on which the taxes were assessed;

28 (e) if the tax lien sale certificate pertains to a principal residence, the date on which the requirements of
 29 15-17-122(3)(b) were met;

30 ~~(e)~~(f) the name and mailing address of the purchaser;

1 ~~(f)~~(g) the amount paid to liquidate the delinquency, including a separate listing of the amount of the
2 delinquent taxes, penalties, interest, and costs;

3 ~~(g)~~(h) a statement that the certificate represents a lien on the property that may lead to the issuance of
4 a tax deed for the property;

5 ~~(h)~~(i) a statement specifying the date on which the purchaser will be entitled to a tax deed; and

6 ~~(i)~~(j) an identification number corresponding to the tax lien sale certificate number recorded by the county
7 treasurer as required in 15-17-213.

8 (2) The certificate must be signed by the county treasurer and delivered to the purchaser. A copy of the
9 certificate must be filed by the treasurer in the office of the county clerk. A copy of the certificate must also be
10 mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the
11 person may contact the county treasurer for further information on property tax lien sales.

12 (3) Prior to paying delinquent taxes, penalties, interests, and costs received by the county treasurer
13 under subsection (1), a person shall send notice of the proposed payment, by certified mail, to the person to
14 whom the property was assessed. The form of the notice must be adopted by the department by rule. The notice
15 must have been mailed at least 2 weeks prior to the date of the payment but may not be mailed earlier than 60
16 days prior to the date of the payment. The person making the payment shall provide proof of the mailing."

17

18 **Section 9.** Section 15-17-318, MCA, is amended to read:

19 "**15-17-318. Assignment of municipality's interest.** (1) (a) At any time after a parcel of land that is
20 not all or part of a principal residence has been acquired by a municipality, as provided in 15-17-317, and has
21 not been redeemed, the treasurer of the municipality shall assign all the rights of the municipality in the property
22 to any person who pays:

23 ~~(a)~~(i) the purchase price paid by the municipality;

24 ~~(b)~~(ii) the delinquent assessments;

25 ~~(c)~~(iii) interest on the purchase price and delinquent assessments at the rate of 5/6 of 1% a month or, for
26 taxes due on a principal residence, at a rate of 2% above the prime rate, as published on the date of delinquency,
27 a month; and

28 ~~(d)~~(iv) penalties and costs as provided by law.

29 (b) If the parcel of land is all or part of a principal residence that has been acquired by a municipality,
30 as provided in 15-17-317, but on which the delinquent taxes and assessments, including penalties, interest, and

1 costs, have not been redeemed, the treasurer of the municipality may request the county treasurer to proceed
 2 with the sale of the property pursuant to [section 1].

3 (2) The treasurer of the municipality shall execute to the person a certificate of sale ~~for~~ of the
 4 municipality's interests in the parcel, which may be in substantially the form provided in 15-17-212 for the
 5 assignment of the interests of the county. If the certificate of sale becomes lost or accidentally destroyed by the
 6 assignee, the treasurer of the municipality shall issue a duplicate certificate to the assignee after the assignee
 7 delivers to the treasurer evidence satisfactory to the treasurer, including an affidavit of the assignee, that the
 8 certificate has been lost or destroyed.

9 (3) An assignment by a municipality under this section discharges the trust created under 15-17-317.
 10 ~~The~~ If the property for which the municipality's interest is assigned is not a principal residence, the municipality
 11 may also discharge the trust created under 15-17-317 by paying into the improvement fund the amount of the
 12 delinquent assessments and interest accrued on the assessments.

13 (4) If the property in which the municipality has a tax lien interest is a principal residence, the municipality
 14 may request that the county treasurer proceed with the sale of the property pursuant to [section 1]. Sale of the
 15 property pursuant to [section 1] discharges the trust created under 15-17-317."

16
 17 **Section 10.** Section 15-17-319, MCA, is amended to read:
 18 **"15-17-319. Sale or lease and disposition of proceeds from lands acquired by municipality.** A
 19 municipality may sell, donate, or lease property it acquires under ~~15-17-317~~ 15-17-318(1)(a) or (4) in the same
 20 manner as a county may sell, donate, or lease tax-deed property under Title 7, chapter 8, part 23. All money
 21 received by the municipality from the sale or lease of the ~~land~~ property, after payment of the cost of sale, not to
 22 exceed \$25, must be paid into the improvement fund to the extent of the delinquent assessments, interest, and
 23 penalties. The surplus, if any, must be paid into any revolving fund that secures payment of special assessments
 24 or, if there ~~are none~~ is no revolving fund, to the general fund of the municipality."
 25

26 **Section 11.** Section 15-17-320, MCA, is amended to read:
 27 **"15-17-320. Taxes and subsequent installments of special assessments on land acquired by a**
 28 **municipality.** For property that is acquired by a municipality as provided in ~~15-17-317~~ 15-17-318(1)(a) or (4),
 29 subsequent installments of the special assessment or assessments, if any, and other special assessments not
 30 then delinquent must be levied, and taxes for the following years must be assessed in the same manner as if the

1 property had not been so acquired. If the special assessments ~~or~~ installments thereof of special assessments,
 2 or taxes are not paid when due, the property must again be sold in the manner provided by law and the levies
 3 of special assessments, assessments of taxes, and the sale of the property for delinquent special assessments
 4 and taxes must continue until the time when the property has been redeemed from ~~such~~ the sale."

5

6 **Section 12.** Section 15-17-321, MCA, is amended to read:

7 **"15-17-321. Resale for nonpayment.** (1) ~~If~~ Except as provided in subsection (2), if a purchaser other
 8 than the county does not pay the delinquent taxes, including penalties, interest, and costs, before 10 a.m. on the
 9 next business day following the day of purchase at a tax lien sale, the property must be made available for sale
 10 for the amount of the delinquent taxes, including penalties, interest, and costs, on the following business day of
 11 the tax lien sale, ~~except as provided in subsection (2).~~

12 (2) (a) If the sale was made on the last day of the tax lien sale and payment was not received as
 13 provided in subsection (1), the county is considered to be the purchaser as provided in 15-17-214.

14 (b) If the nonpayment pertains to property that is a principal residence that has not been subject to sale
 15 under [section 1], the county shall proceed as provided in [section 1]."

16

17 **Section 13.** Section 15-18-113, MCA, is amended to read:

18 **"15-18-113. Treasurer to record redemptions.** (1) Upon payment of all delinquent taxes, including
 19 penalties, interest, and costs, by the person to whom taxes were assessed or the person's agent to the county
 20 treasurer and refunded to the person listed as purchaser, as provided in 15-17-212~~(1)(e)~~(1)(f), 15-17-213, or
 21 15-17-214, or distributed, as provided in 15-18-114, the word "redeemed", the date, and the name of the
 22 redemptioner must be marked by the county treasurer on the tax lien sale certificate or in the record required in
 23 15-17-214. Upon redemption, the county treasurer shall execute a certificate of redemption to be filed or recorded
 24 with the county clerk and recorder.

25 (2) The form of the certificate of redemption may be made as follows:

26

CERTIFICATE OF REDEMPTION

27 I,, the treasurer of County, certify the following:

28 1. For tax years (years), the taxes were delinquent on the following real property:
 29 (description of the property).

30 2. The tax lien on the property was sold on.....(date of the tax lien sale). Tax Lien Sale Certificate No.

1 or Tax Lien Assignment No. (if applicable).

2 3. The tax lien was redeemed on (date of redemption) by the payment of:

3 Taxes

4 Penalty

5 Interest

6 Cost

7 Total

8 Receipt Number

9 4. The redemption was made by (name of redemptioner).

10 Date:

11

12 Signature"

13

14 **Section 14.** Section 15-18-114, MCA, is amended to read:

15 **"15-18-114. Distribution of redemption proceeds.** (1) When a property tax lien for which the county
16 is listed as purchaser is redeemed, the money received from the redemption, including penalties and interest but
17 not costs, must be distributed to the credit of the various funds to which the taxes would have originally been
18 distributed and in the same proportion as the taxes would have originally been distributed.

19 (2) (a) When a property tax lien for which the recorded purchaser is other than the county is redeemed,
20 the county treasurer shall distribute to the person listed as the purchaser on the tax lien sale certificate and in the
21 record kept by the county treasurer the amount the purchaser paid the county for the property tax lien plus any
22 subsequent amount paid pursuant to 15-18-112 plus interest, as specified in 15-16-102, from the date of payment
23 until the date of redemption. Any money remaining after distributing redemption proceeds to the purchaser other
24 than the county must be distributed pursuant to subsection (1).

25 (b) (i) The distribution must be made by certified mail, return receipt requested, by the county treasurer
26 to the purchaser at the address listed on the tax lien sale certificate as provided in 15-17-212~~(1)(e)~~(1)(f).

27 (ii) If the money distributed to the purchaser is returned unopened to the county treasurer, the treasurer
28 shall publish once a week for 2 consecutive weeks in the official newspaper of the county a notice stating that:

29 (A) the county treasurer is in possession of money belonging to the purchaser for the redemption of the
30 delinquency on the property named in the tax lien sale certificate;

1 (B) the money must be held by the county treasurer for a period of 1 year from the date of publication;
2 and

3 (C) if the money is not claimed by the purchaser within the 1-year period, the purchaser relinquishes all
4 claim to the money and the money must be credited to the county general fund.

5 (3) The publication required in subsection (2)(b)(ii) must be made at least annually, but the 1-year period
6 described in subsection (2)(b)(ii)(B) may not begin until the date of publication.

7 (4) The county treasurer shall keep an accurate account of all money paid in redemption, including a
8 separate accounting of other delinquent taxes, interest, penalties, and costs, and when and to whom distributed."
9

10 **Section 15.** Section 15-18-211, MCA, is amended to read:

11 **"15-18-211. Tax deed -- fee.** (1) Except as provided in subsection (3), if the property tax lien is not
12 redeemed in the time allowed under 15-18-111, the county treasurer shall grant the purchaser a tax deed for the
13 property. The deed must contain the same information as is required in a tax lien sale certificate under 15-17-212,
14 except the description of the property must be the full legal description, and a statement that the property tax lien
15 was not redeemed during the redemption period provided in 15-18-111.

16 (2) (a) Except as provided in subsection (2)(b), the county treasurer shall charge the purchaser \$25 plus
17 all actual costs incurred by the county in giving the notice or assisting another purchaser or assignee in giving
18 the notice required in 15-18-212 for making the deed, which fee must be deposited in the county general fund.

19 (b) If the purchaser is the county, no fee may be charged for making the deed.

20 (c) Reasonable costs incurred by the county in searching the county records to identify persons entitled
21 to notice are considered part of the actual costs of the notice provided in subsection (2)(a).

22 (3) (a) If the property tax lien is on a principal residence and is not redeemed within the time allowed
23 under 15-18-111, the county treasurer may not immediately issue a tax deed to the holder of the tax lien
24 certificate, but shall proceed as provided in [section 1]. Subsequent to the sale of the principal residence pursuant
25 to [section 1] or if the county is considered to be the purchaser under [section 1(2)], the county treasurer shall
26 issue a tax deed as provided by law.

27 (b) If the county is the purchaser of a tax lien is the county and no assignment has been made, the
28 county treasurer may not issue a tax deed to the county unless the board of county commissioners, by resolution,
29 directs the county treasurer to issue a tax deed.

30 (c) The county treasurer may issue a tax deed for a principal residence only as provided in [section 1].

1 (4) ~~Deeds~~ A deed issued to ~~purchasers~~ a purchaser must be recorded by the county clerk as provided
 2 in Title 7, chapter 4, part 26, except that when the county is the purchaser and subsequent tax deed holder, the
 3 county clerk may not charge a fee for recording the deed."

4

5 **Section 16.** Section 15-18-212, MCA, is amended to read:

6 **"15-18-212. Notice -- proof of notice -- penalty for failure to notify.** (1) Not more than 60 days prior
 7 to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, a notice
 8 must be given as follows:

9 (a) for each property other than a principal residence for which there has been issued to the county a
 10 tax lien sale certificate or for which the county is otherwise listed as the purchaser or assignee, the county clerk
 11 and recorder shall notify the parties as required in subsection (4) and the current occupant of the property, if any,
 12 that a tax deed may be issued to the county unless the property tax lien is redeemed prior to the expiration date
 13 of the redemption period; or

14 (b) for each property other than a principal residence for which there has been issued a tax lien sale
 15 certificate to a purchaser other than the county or for which an assignment has been made, the purchaser or
 16 assignee, as appropriate, shall notify the parties as required in subsection (4), if any, that a tax deed will be
 17 issued to the purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of the
 18 redemption period;

19 (c) for each property that is a principal residence for which there has been issued a tax lien sale
 20 certificate, for which the county is listed as the purchaser, or for which an assignment has been made, the
 21 purchaser or assignee, as appropriate, shall notify the parties as required in subsection (4) that a tax deed will
 22 be issued to the purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of
 23 the redemption period.

24 (2) (a) Except as provided in subsection (2)(b), if the county is the purchaser, an assignment has not
 25 been made, and the board of county commissioners has not directed the county treasurer to issue a tax deed
 26 during the period described in subsection (1) but the board of county commissioners at a time subsequent to the
 27 period described in subsection (1) does direct the county treasurer to issue a tax deed, the county clerk and
 28 recorder shall provide notification to the parties as required in subsection (4) and to the current occupant, if any,
 29 in the manner provided in subsection (1)(a). The notification required under this subsection must be made not
 30 less than 60 days or more than 120 days prior to the date on which the county treasurer will issue the tax deed.

1 (b) If the county commissioners direct the county treasurer to issue a tax deed within 6 months after
2 giving the notice required by subsection (1)(a) or (1)(c), additional notice need not be given.

3 (3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by
4 subsection (1)(b) or (1)(c) and the failure or neglect is evidenced by failure of the purchaser or assignee to file
5 proof of notice with the county clerk and recorder as required in subsection (8), the county treasurer shall notify
6 the purchaser or assignee of the obligation to give notice under subsection (1)(b) or (1)(c). The notice of
7 obligation may be sent by certified mail, return receipt requested, to the purchaser or assignee at the address
8 contained on the tax lien sale certificate provided for in 15-17-212 or on the assignment form provided for in
9 15-17-323.

10 (b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee
11 fails to give notice as required by subsection (1)(b) or (1)(c), as evidenced by failure to file proof of notice with
12 the county clerk and recorder as required in subsection (8), the county treasurer shall cancel the property tax lien
13 evidenced by the tax lien sale certificate or the assignment. Upon cancellation of the property tax lien, the county
14 treasurer shall file or record with the county clerk and recorder a notice of cancellation on a form provided for in
15 15-18-217.

16 (4) (a) The notice required under subsections (1) and (2) pertaining to property that is not a principal
17 residence must be made by certified mail, return receipt requested, to the current occupant, if any, of the property
18 and to each party, other than a utility, listed on a property title guarantee, provided that:

19 (i) the guarantee has been approved by the insurance commissioner and issued by a licensed title
20 insurance producer; and

21 (ii) the guarantee was ordered on the property by the person required to give notice.

22 (b) The notice required under subsections (1) and (2) pertaining to property that is a principal residence
23 must be made in the same manner provided in subsection (4)(a), except that the notice must be served to the
24 occupant, if any, in person by the sheriff or by a registered process server provided for in 37-60-301.

25 ~~(b)(c)~~ The address to which the notice must be sent is, for each party, the address disclosed by the
26 records in the office of the county clerk and recorder or in the title guarantee and, for the occupant, the street
27 address or other known address of the subject property.

28 (5) In all cases in which the address of an interested party is not known, the person required to give
29 notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior
30 to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence

1 publishing once a week for 2 successive weeks, in the official newspaper of the county or another newspaper
 2 as the board of county commissioners may by resolution designate, a notice containing the information contained
 3 in subsection (6), plus:

- 4 (a) the name of the party for whom the address is unknown;
 5 (b) a statement that the address of the party is unknown;
 6 (c) a statement that the published notice meets the legal requirements for notice of a pending tax deed
 7 issuance; and
 8 (d) a statement that the party's rights in the property may be in jeopardy, including the possible sale of
 9 the party's rights.

10 (6) The notices required by subsections (1), (2), and (5) must contain the following:

- 11 (a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;
 12 (b) a description of the property on which the taxes are or were delinquent, which must be the same as
 13 the description of the property on the tax lien sale certificate or in the record described in 15-17-214(2)(b);
 14 (c) the date that the property taxes became delinquent;
 15 (d) the date that the property tax lien attached as the result of a tax lien sale;
 16 (e) if the tax lien sale certificate pertains to a principal residence, the date on which the requirements of
 17 15-17-122(3)(b) were met;

18 ~~(e)~~(f) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of
 19 pending tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties,
 20 interest, and costs that must be paid for the property tax lien to be liquidated;

21 ~~(f)~~(g) the name and address of the purchaser;

22 ~~(g)~~(h) the name of the assignee if an assignment was made as provided in 15-17-323;

23 ~~(h)~~(i) the date that the redemption period expires or expired;

24 ~~(i)~~(j) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on
 25 or prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer
 26 will otherwise issue a tax deed, a tax deed may be issued to the purchaser on the day following the date on which
 27 the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed; and

28 ~~(j)~~(k) the business address and telephone number of the county treasurer who is responsible for issuing
 29 the tax deed.

30 (7) The amount of interest and costs provided for in subsection ~~(6)~~(e) (6)(f) continues to accrue until the

1 date of redemption. The total amount of interest and costs that must be paid for redemption must be calculated
2 by the county treasurer as of the date of payment.

3 (8) Proof of notice in whatever manner given must be filed with the county clerk and recorder. If the
4 purchaser or assignee is other than the county, the proof of notice must be filed with the county clerk and recorder
5 within 30 days of the mailing or publishing of the notice. If the purchaser or assignee is the county, the proof of
6 notice must be filed before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima
7 facie evidence of the sufficiency of the notice.

8 (9) A county or any officer of a county may not be held liable for any error of notification."
9

10 NEW SECTION. Section 17. Codification instruction. [Section 1] is intended to be codified as an
11 integral part of Title 15, chapter 18, and the provisions of Title 15, chapter 18, apply to [section 1].
12

13 NEW SECTION. Section 18. Saving clause. [This act] does not affect rights and duties that matured,
14 penalties that were incurred, or proceedings that were begun before [the effective date of this act].
15

16 NEW SECTION. Section 19. Effective date. [This act] is effective July 1, 2013.
17

18 NEW SECTION. Section 20. Applicability -- nonapplicability. (1) [This act] applies only to tax
19 delinquencies that begin on or after [the effective date of this act] and only to principal residences, as defined in
20 15-17-121 as amended by [this act].

21 (2) [This act] does not affect or apply to any property on which taxes were delinquent prior to [the
22 effective date of this act] or to any tax lien that attached or any tax lien sale, tax lien sale certificate, tax lien
23 assignment, or tax deed that was begun, concluded, or issued pursuant to Title 15 prior to [the effective date of
24 this act].
25

- END -