

HOUSE BILL NO. 417

INTRODUCED BY T. JACOBSON

1
2
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; EXTENDING RULEMAKING AUTHORITY; AMENDING SECTIONS 7-6-4414, 15-16-101,
10 15-16-102, 15-17-121, 15-17-122, 15-17-123, 15-17-131, 15-17-212, 15-17-318, 15-17-321, 15-17-322,
11 15-18-113, 15-18-114, 15-18-211, AND 15-18-212, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN
12 APPLICABILITY DATE."

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

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

21 (2) If the property does not sell at auction under subsection (1), the county is considered to be the
22 purchaser and the county treasurer shall proceed under 15-18-211(3).

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

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



1 (b) is the county, the county treasurer shall allocate to the county the amount of all delinquent and current
2 taxes and assessments, including penalties and interest, if any, which must be distributed as provided in
3 15-17-322, and all costs, which must be deposited in the county general fund, and forward the remainder to the
4 person who owned the property at the time the property was sold at auction; or

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

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

9 (ii) to the county, the amount of all delinquent and current taxes and assessments, including penalties
10 and interest, if any, which must be distributed as provided in 15-17-322, and all costs, which must be deposited
11 in the county general fund; and

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

14 (4) If the property is sold, at auction or otherwise, 6 months or more after the tax lien sale certificate is
15 issued, the county treasurer shall:

16 (a) allocate to the county the amount of all delinquent and current taxes and assessments, including
17 penalties and interest, if any, which must be distributed as provided in 15-17-322;

18 (b) reimburse the county for all unreimbursed costs incurred by the county in regard to the property,
19 which must be deposited in the county general fund; and

20 (c) allocate to the county all remaining proceeds, which must be distributed as provided in 15-17-322.

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

23

24 **Section 2.** Section 7-6-4414, MCA, is amended to read:

25 **"7-6-4414. Sales for delinquent taxes when county collects municipal tax.** (1) All publications of
26 sales for delinquent taxes shall include city or town taxes. There is only one sale for each piece of property. The
27 sale shall cover the aggregate of city or town, county, and state taxes, with the penalties, interest, and cost of
28 advertising provided by law.

29 (2) All money received from sales, after a deed is given by the county treasurer as provided by law, shall
30 ~~be credited to the state, county, and city or town pro-rata in the same proportions~~ distributed as provided in

1 15-17-322 or [section 1], as applicable."

2

3 **Section 3.** Section 15-16-101, MCA, is amended to read:

4 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt
5 of the property tax record, the county treasurer shall publish a notice specifying:

6 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next
7 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount
8 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
9 residence, at an annualized rate of 2% above the prime rate, as published on the date of delinquency, a month
10 from the time of delinquency until paid and that 2% will be added to the delinquent taxes as a penalty;

11 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next
12 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
13 of 1% a month or, for taxes due on a principal residence, at an annualized rate of 2% above the prime rate, as
14 published on the date of delinquency, a month from the time of delinquency until paid and that 2% will be added
15 to the delinquent taxes as a penalty; and

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

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

20 (i) the taxable value of the property;

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

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

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

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

26 (vi) a notice of the availability of all the property tax assistance programs available to property taxpayers,
27 including the property tax assistance program under 15-6-134, the extended property tax assistance program
28 under 15-6-193, the disabled or deceased veterans' residence exemption under 15-6-211, the refundable income
29 tax credit under 15-30-2336, and the residential property tax credit for the elderly under 15-30-2337 through
30 15-30-2341.

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

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

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

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

13 (6) For purposes of this section, "prime rate" and "principal residence" have the meanings provided in
 14 15-17-121."

15

16 **Section 4.** Section 15-16-102, MCA, is amended to read:

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

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

24 (2) Unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within 30
 25 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws interest
 26 at the rate of 5/6 of 1% a month or, for taxes due on a principal residence, at an annualized rate of 2% above the
 27 prime rate, as published on the date of delinquency, a month from and after the delinquency until paid, and that
 28 2% must be added to the delinquent taxes as a penalty.

29 (3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw
 30 interest at the rate of 5/6 of 1% a month or, for taxes due on a principal residence, at an annualized rate of 2%

1 above the prime rate, as published on the date of delinquency, a month from and after the delinquency until paid,
2 and that 2% must be added to the delinquent taxes as a penalty.

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

5 (b) If taxes on property qualifying under the low-income property tax assistance provisions of
6 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
7 without penalty or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must
8 be paid and interest accrues from the date on which the taxes were due.

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

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

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

17 (i) for one or more full tax years; or

18 (ii) with the approval of the county commission, for the total amount due, but payable in equal payments
19 on a schedule to be completed within 1 year or less as determined by the county treasurer.

20 (d) Payment of taxes for delinquent taxes must be applied to the taxes that have been delinquent the
21 longest.

22 (e) The payment of taxes for the current tax year is not a redemption of the property tax lien for any
23 delinquent tax year.

24 (b)(f) A payment by a co-owner of an undivided ownership interest that is subject to a separate
25 assessment otherwise meeting the requirements of subsection ~~(5)(a)~~ (5)(b) or (5)(c) is not a partial payment.

26 (6) The penalty and interest on delinquent assessment payments due to a municipality or a political
27 subdivision of a municipality for specific parcels of land may be waived by resolution of the city council. A copy
28 of the resolution must be certified to the county treasurer.

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

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

3 (9) For purposes of this section, "prime rate" and "principal residence" have the meanings provided in
4 15-17-121."

5

6 **Section 5.** Section 15-17-121, MCA, is amended to read:

7 **"15-17-121. Definitions.** Except as otherwise specifically provided, when terms mentioned in Title 15,
8 chapters 17 and 18, are used in connection with taxation, they are defined in the following manner:

9 (1) "Certificate" or "tax lien sale certificate" means the document described in 15-17-212.

10 (2) (a) "Cost" means the cost incurred by the county as a result of a taxpayer's failure to pay taxes when
11 due. It includes but is not limited to any actual out-of-pocket expenses incurred by the county plus the
12 administrative cost of:

13 (i) preparing the list of delinquent taxes;

14 (ii) preparing the notice of pending tax lien sale;

15 (iii) conducting the tax lien sale;

16 (iv) assigning the county's interest in a tax lien to a third party;

17 (v) identifying interested persons entitled to notice of the pending issuance of a tax deed;

18 (vi) notifying interested persons;

19 (vii) issuing the tax deed; and

20 (viii) any other administrative task associated with accounting for or collecting delinquent taxes.

21 (b) The term includes costs that are required by law and incurred by the purchaser of a property tax lien
22 other than the county. The county treasurer may require the purchaser of the property tax lien to provide receipts
23 or may allow the purchaser of the property tax lien to provide a notarized affidavit of costs to the county treasurer
24 upon issuance of a tax lien sale certificate as required in 15-17-212 and notification that a tax deed may be issued
25 as required by 15-18-212 and 15-18-216. A county treasurer may at any time require a purchaser who provided
26 an affidavit of costs to submit the receipted costs upon which the affidavit was based.

27 (c) The term does not include interest for payments for the following:

28 (i) postage for certified mailings and certified mailings with return receipt requested;

29 (ii) a title search, to the extent necessary to identify interested persons entitled to notice of the pending
30 issuance of a tax deed;

1 (iii) publishing costs for required publications; and

2 (iv) filing costs for proof of notice.

3 (3) "County" means any county government and includes those classified as consolidated governments.

4 (4) "Prime rate" means the prime rate published by the federal reserve system in its statistical release

5 H.15 Selected Interest Rates for bank prime loans.

6 (5) "Principal residence" means a residential dwelling that is a single-family dwelling unit, unit of a
 7 multiple-unit dwelling, trailer, manufactured home, or mobile home that is occupied by the owner for at least 7
 8 months during the tax year.

9 ~~(4)(6)~~ "Property tax lien" means a lien acquired by the payment at a tax lien sale of all outstanding
 10 delinquent taxes, including penalties, interest, and costs.

11 ~~(5)(7)~~ "Purchaser" means any person, other than the person to whom the property is assessed, who
 12 pays at the tax lien sale the delinquent taxes, including penalties, interest, and costs, and receives a certificate
 13 representing a lien on the property or who is otherwise listed as the purchaser. An assignee is a purchaser.

14 ~~(6)(8)~~ "Tax", "taxes", or "property taxes" means all ad valorem property taxes, property assessments,
 15 fees related to property, and assessments for special improvement districts and rural special improvement
 16 districts.

17 ~~(7)(9)~~ "Tax lien sale" means:

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

20 (b) with respect to personal property, the offering for sale by the county treasurer of personal property
 21 on which the taxes are delinquent or other personal property on which the delinquent taxes are a lien."
 22

23 **Section 6.** Section 15-17-122, MCA, is amended to read:

24 **"15-17-122. Notice of pending tax lien sale.** (1) The county treasurer shall publish or post a notice of
 25 a pending tax lien sale. The notice must include:

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

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

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

- 4 (a) the name and address of the person to whom the delinquent taxes are assessed;
5 (b) the amounts of the delinquent taxes, all accrued penalties, interest, and other costs; and
6 (c) a statement that penalties, interest, and costs will be added to delinquent taxes.

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

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

12 (i) specific information that the property owner may be eligible for a property tax reduction pursuant to
13 15-6-134, the extended property tax assistance program under 15-6-193, the disabled or deceased veterans'
14 residence exemption under 15-6-211, the refundable income tax credit available under 15-30-2336, the residential
15 property tax credit for the elderly under 15-30-2337 through 15-30-2341, or other property tax reduction provisions
16 of Title 15, chapter 30, part 23; and

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

19 (A) the sheriff will proceed pursuant to 15-16-401 and Title 25, chapter 13; and

20 (B) the property may be sold for the amount of the delinquency to anyone other than the person to whom
21 the property taxes are assessed.

22 (4) Except as provided in 15-17-211(2), the tax lien sale may not be held less than 21 days or more than
23 28 days from the date of first publication or first day the notice is posted.

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

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

28 (7) The provisions of this section do not apply to property for which delinquent property taxes have been
29 suspended or canceled under the provisions of Title 15, chapter 24, part 17."
30

1 **Section 7.** Section 15-17-123, MCA, is amended to read:

2 **"15-17-123. Copy of notice to be filed with county clerk -- affidavit.** (1) Immediately following
3 publication or posting of the notice required in 15-17-122, the county treasurer shall file a copy of the notice with
4 the county clerk. The copy must be accompanied by an affidavit signed by the county treasurer stating:

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

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

7 (c) if the notice is for the sale of a tax lien on a principal residence, that the requirements of
8 15-17-122(3)(b) were met.

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

11 (3) The affidavit filed under subsection (1) or (2) is prima facie evidence of all the facts stated ~~therein in~~
12 the affidavit."

13

14 **Section 8.** Section 15-17-131, MCA, is amended to read:

15 **"15-17-131. Common undivided ownership interest -- separate assessment -- property tax**
16 **payments.** (1) Except as provided in subsection (2), payment of all property taxes on a parcel by any co-owner
17 is considered payment by all owners, whether or not the property is assessed and taxed separately to co-owners
18 or to a single owner. Any payment by a co-owner in excess of the amount assessed to the co-owner must be the
19 total amount due on the parcel or a partial payment ~~amounting to a year of deficiency~~, as provided in
20 15-16-102(5)(a), (5)(b) or (5)(c). The nonpayment of taxes by a co-owner who is separately assessed and taxed
21 subjects only the interest of the nonpaying co-owner to a tax lien sale.

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

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

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

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

30 (b) Upon proof that a co-owner has complied with the provisions of this subsection (2), the paying

1 co-owner is considered the purchaser of a tax lien on the ownership interest of the nonpaying co-owner and the
 2 county treasurer shall prepare a tax lien sale certificate with the paying co-owner as the purchaser. The certificate
 3 shall conform to the provisions of 15-17-212, except the certificate need not contain the information required in
 4 15-17-212(1)(a) and (1)(b). The treasurer shall comply with the provisions of 15-17-212(2) regarding the
 5 certificate.

6 (c) For the purposes of this subsection (2), if there are more than two co-owners, single and multiple
 7 paying co-owners can receive a tax lien on the undivided interests of single and multiple nonpaying co-owners."
 8

9 **Section 9.** Section 15-17-212, MCA, is amended to read:

10 **"15-17-212. Tax lien sale certificate.** (1) After receiving proof of mail notice to the person to whom the
 11 property was assessed, as required by subsection (3), and upon receipt of all delinquent taxes, penalties, interest,
 12 and costs, the county treasurer shall prepare a tax lien sale certificate that must contain:

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

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

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

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

17 (e) if the tax lien sale certificate pertains to a principal residence, the date on which the requirements of
 18 15-17-122(3)(b) were met;

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

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

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

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

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

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

1 (3) Prior to paying delinquent taxes, penalties, interests, and costs received by the county treasurer
 2 under subsection (1), a person shall send notice of the proposed payment, by certified mail, to the person to
 3 whom the property was assessed. The form of the notice must be adopted by the department by rule. The notice
 4 must have been mailed at least 2 weeks prior to the date of the payment but may not be mailed earlier than 60
 5 days prior to the date of the payment. The person making the payment shall provide proof of the mailing."
 6

7 **Section 10.** Section 15-17-318, MCA, is amended to read:

8 **"15-17-318. Assignment of municipality's interest.** (1) (a) At any time after a parcel of land that is not
 9 all or part of a principal residence has been acquired by a municipality, as provided in 15-17-317, and has not
 10 been redeemed, the treasurer of the municipality shall assign all the rights of the municipality in the property to
 11 any person who pays:

12 (a)(i) the purchase price paid by the municipality;

13 (b)(ii) the delinquent assessments;

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

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

18 (b) If the parcel of land is all or part of a principal residence that has been acquired by a municipality,
 19 as provided in 15-17-317, but on which the delinquent taxes and assessments, including penalties, interest, and
 20 costs, have not been redeemed, the treasurer of the municipality may request the county treasurer to proceed
 21 with the sale of the property pursuant to [section 1].

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

28 (3) An assignment by a municipality under this section discharges the trust created under 15-17-317.
 29 The If the property for which the municipality's interest is assigned is not a principal residence, the municipality
 30 may also discharge the trust created under 15-17-317 by paying into the improvement fund the amount of the

1 delinquent assessments and interest accrued on the assessments.

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

5

6 **Section 11.** 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 12.** Section 15-17-322, MCA, is amended to read:

18 **"15-17-322. Disposition of money from tax lien sale.** All money received from purchasers for
 19 delinquent taxes, penalties, interest, and costs must be deposited in the county treasury. ~~The~~ Except as provided
 20 in [section 1]:

21 (1) the money received, other than costs, must be credited to the various funds to which the taxes would
 22 have originally been distributed and in the same proportion as the taxes would have originally been distributed-
 23 Any; and

24 (2) the money received for costs or and any money remaining after crediting the separate funds must
 25 be deposited to the credit of the county general fund."

26

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

28 **"15-18-113. Treasurer to record redemptions.** (1) Upon payment of all delinquent taxes, including
 29 penalties, interest, and costs, by the person to whom taxes were assessed or the person's agent to the county
 30 treasurer and refunded to the person listed as purchaser, as provided in 15-17-212~~(4)(e)~~(1)(f), 15-17-213, or

1 15-17-214, or distributed, as provided in 15-18-114, the word "redeemed", the date, and the name of the
2 redemptioner must be marked by the county treasurer on the tax lien sale certificate or in the record required in
3 15-17-214. Upon redemption, the county treasurer shall execute a certificate of redemption to be filed or recorded
4 with the county clerk and recorder.

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

6 CERTIFICATE OF REDEMPTION

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

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

10 2. The tax lien on the property was sold on.....(date of the tax lien sale). Tax Lien Sale Certificate No.
11 or Tax Lien Assignment No. (if applicable).

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

- 13 Taxes
- 14 Penalty
- 15 Interest
- 16 Cost
- 17 Total
- 18 Receipt Number

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

20 Date:

.....
Signature"

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

25 **"15-18-114. Distribution of redemption proceeds.** (1) When a property tax lien for which the county
26 is listed as purchaser is redeemed, the money received from the redemption, including penalties and interest but
27 not costs, must be distributed to the credit of the various funds to which the taxes would have originally been
28 distributed and in the same proportion as the taxes would have originally been distributed.

29 (2) (a) When a property tax lien for which the recorded purchaser is other than the county is redeemed,
30 the county treasurer shall distribute to the person listed as the purchaser on the tax lien sale certificate and in the

1 record kept by the county treasurer the amount the purchaser paid the county for the property tax lien plus any
 2 subsequent amount paid pursuant to 15-18-112 plus interest, as specified in 15-16-102, from the date of payment
 3 until the date of redemption. Any money remaining after distributing redemption proceeds to the purchaser other
 4 than the county must be distributed pursuant to subsection (1).

5 (b) (i) The distribution must be made by certified mail, return receipt requested, by the county treasurer
 6 to the purchaser at the address listed on the tax lien sale certificate as provided in 15-17-212~~(4)(e)~~(1)(f).

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

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

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

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

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

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

19

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

21 **"15-18-211. Tax deed -- fee.** (1) Except as provided in subsection (3), if the property tax lien is not
 22 redeemed in the time allowed under 15-18-111, the county treasurer shall grant the purchaser a tax deed for the
 23 property. The deed must contain the same information as is required in a tax lien sale certificate under 15-17-212,
 24 except the description of the property must be the full legal description, and a statement that the property tax lien
 25 was not redeemed during the redemption period provided in 15-18-111.

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

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

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

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

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

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

12 (4) ~~Deeds~~ A deed issued to ~~purchasers~~ a purchaser must be recorded by the county clerk as provided
13 in Title 7, chapter 4, part 26, except that when the county is the purchaser and subsequent tax deed holder, the
14 county clerk may not charge a fee for recording the deed."
15

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

17 **"15-18-212. Notice -- proof of notice -- penalty for failure to notify.** (1) Not more than 60 days prior
18 to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, a notice
19 must be given as follows:

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

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

30 (c) for each property that is a principal residence for which there has been issued a tax lien sale

1 certificate, for which the county is listed as the purchaser, or for which an assignment has been made, the
2 purchaser or assignee, as appropriate, shall notify the parties as required in subsection (4) that a tax deed will
3 be issued to the purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of
4 the redemption period.

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

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

14 (3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by
15 subsection (1)(b) or (1)(c) and the failure or neglect is evidenced by failure of the purchaser or assignee to file
16 proof of notice with the county clerk and recorder as required in subsection (8), the county treasurer shall notify
17 the purchaser or assignee of the obligation to give notice under subsection (1)(b) or (1)(c). The notice of
18 obligation may be sent by certified mail, return receipt requested, to the purchaser or assignee at the address
19 contained on the tax lien sale certificate provided for in 15-17-212 or on the assignment form provided for in
20 15-17-323.

21 (b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee
22 fails to give notice as required by subsection (1)(b) or (1)(c), as evidenced by failure to file proof of notice with
23 the county clerk and recorder as required in subsection (8), the county treasurer shall cancel the property tax lien
24 evidenced by the tax lien sale certificate or the assignment. Upon cancellation of the property tax lien, the county
25 treasurer shall file or record with the county clerk and recorder a notice of cancellation on a form provided for in
26 15-18-217.

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

30 (i) the guarantee has been approved by the insurance commissioner and issued by a licensed title

1 insurance producer; and

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

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

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

9 (5) In all cases in which the address of an interested party is not known, the person required to give
10 notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior
11 to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence
12 publishing once a week for 2 successive weeks, in the official newspaper of the county or another newspaper
13 as the board of county commissioners may by resolution designate, a notice containing the information contained
14 in subsection (6), plus:

15 (a) the name of the party for whom the address is unknown;

16 (b) a statement that the address of the party is unknown;

17 (c) a statement that the published notice meets the legal requirements for notice of a pending tax deed
18 issuance; and

19 (d) a statement that the party's rights in the property may be in jeopardy, including the possible sale of
20 the party's rights.

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

22 (a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;

23 (b) a description of the property on which the taxes are or were delinquent, which must be the same as
24 the description of the property on the tax lien sale certificate or in the record described in 15-17-214(2)(b);

25 (c) the date that the property taxes became delinquent;

26 (d) the date that the property tax lien attached as the result of a tax lien sale;

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

29 ~~(e)~~(f) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of
30 pending tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties,

1 interest, and costs that must be paid for the property tax lien to be liquidated;
 2 ~~(f)~~(g) the name and address of the purchaser;
 3 ~~(g)~~(h) the name of the assignee if an assignment was made as provided in 15-17-323;
 4 ~~(h)~~(i) the date that the redemption period expires or expired;
 5 ~~(i)~~(j) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on
 6 or prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer
 7 will otherwise issue a tax deed, a tax deed may be issued to the purchaser on the day following the date on which
 8 the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed; and
 9 ~~(j)~~(k) the business address and telephone number of the county treasurer who is responsible for issuing
 10 the tax deed.

11 (7) The amount of interest and costs provided for in subsection ~~(6)~~(e) (6)(f) continues to accrue until the
 12 date of redemption. The total amount of interest and costs that must be paid for redemption must be calculated
 13 by the county treasurer as of the date of payment.

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

19 (9) A county or any officer of a county may not be held liable for any error of notification."
 20

21 **NEW SECTION. Section 17. Codification instruction.** [Section 1] is intended to be codified as an
 22 integral part of Title 15, chapter 18, and the provisions of Title 15, chapter 18, apply to [section 1].
 23

24 **NEW SECTION. Section 18. Effective date.** [This act] is effective July 1, 2015.
 25

26 **NEW SECTION. Section 19. Applicability -- nonapplicability.** (1) [This act] applies only to tax
 27 delinquencies that begin on or after [the effective date of this act] and only to principal residences, as defined in
 28 15-17-121 as amended by [this act].

29 (2) [This act] does not affect or apply to any property on which taxes were delinquent prior to [the
 30 effective date of this act] or to any tax lien that attached or any tax lien sale, tax lien sale certificate, tax lien

1 assignment, or tax deed that was begun, concluded, or issued pursuant to Title 15 prior to [the effective date of
2 this act].

3 - END -