

HOUSE BILL NO. 621

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; REQUIRING NOTIFICATION BY A SHERIFF PRIOR TO ISSUANCE OF A TAX DEED;
7 AMENDING SECTIONS 7-6-4414, 15-16-101, 15-16-102, 15-17-121, 15-17-318, 15-17-319, 15-17-320,
8 15-17-321, 15-17-322, 15-17-323, AND 15-18-211, AND 15-18-212, MCA; AND PROVIDING AN EFFECTIVE
9 DATE AND AN APPLICABILITY DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12
13 NEW SECTION. **Section 1. Sale of principal residence for tax lien.** (1) Whenever a tax lien sale
14 certificate has been issued on a principal residence and a tax deed would be issued pursuant to 15-18-211;

15 (A) the county treasurer shall notify the county commissioners that a tax lien sale certificate for a principal
16 residence has been issued AND NOT REDEEMED WITHIN THE PERIOD PROVIDED FOR IN 15-18-111; and

17 (B) the county commissioners shall ~~proceed to~~, WITHIN 6 MONTHS, auction the ~~property as provided for~~
18 RIGHT TO ACQUIRE A TAX DEED USING THE PROCESS ESTABLISHED in Title 7, chapter 8, part 23, as if the property had
19 been acquired by the county by tax deed.

20 (2) If the ~~property~~ RIGHT TO ACQUIRE A TAX DEED does not sell at auction under subsection (1), the county
21 is considered to be the purchaser and the county treasurer shall proceed under 15-18-211(3).

22 (3) If the ~~property~~ RIGHT TO ACQUIRE THE TAX DEED sells at auction under this section less than 6 months
23 after the ~~tax lien sale certificate is issued~~ EXPIRATION OF THE REDEMPTION PERIOD PROVIDED FOR IN 15-18-111, and
24 the person who purchases the ~~property~~ RIGHT TO ACQUIRE THE TAX DEED at auction:

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

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

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

15 (4) If the property is sold, by auction or otherwise, 6 months or more after the ~~tax lien sale certificate is~~
 16 ~~issued~~ EXPIRATION OF THE REDEMPTION PERIOD PROVIDED FOR IN 15-18-111, the county treasurer shall reimburse
 17 the county for all unreimbursed costs incurred by the county in regard to the property, which must be deposited
 18 in the county general fund, and shall allocate to the county all remaining proceeds, which must be distributed as
 19 provided for in 15-17-322.

20 (5) As soon as practicable after sale of the ~~property~~ RIGHT TO ACQUIRE THE TAX DEED under this section,
 21 the county treasurer shall issue a tax deed in the manner provided for in 15-18-211 as if the property was not a
 22 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 4% 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 4% 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, and the residential
29 property tax credit for the elderly under 15-30-2337 through 15-30-2341.

30 (b) If the property is the subject of a tax lien sale for which a tax lien sale certificate has been issued

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

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

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

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

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

14

15 **SECTION 4. SECTION 15-16-102, MCA, IS AMENDED TO READ:**

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

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

23 (2) Unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within 30
 24 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws interest
 25 at the rate of 5/6 of 1% a month or, for taxes due on a principal residence, at an annualized rate of 4% above the
 26 prime rate, as published on the date of delinquency, a month from and after the delinquency until paid, and that
 27 2% must be added to the delinquent taxes as a penalty.

28 (3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw
 29 interest at the rate of 5/6 of 1% a month or, for taxes due on a principal residence, at an annualized rate of 4%
 30 above the prime rate, as published on the date of delinquency, a month from and after the delinquency until paid,

1 and that 2% must be added to the delinquent taxes as a penalty.

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

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

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

13 (b) A payment by a co-owner of an undivided ownership interest that is subject to a separate assessment
14 otherwise meeting the requirements of subsection (5)(a) is not a partial payment.

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

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

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

21 (9) For purposes of this section, "prime rate" and "principal residence" have the meanings provided in
22 15-17-121."

23

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

25 **"15-17-121. Definitions.** Except as otherwise specifically provided, when terms mentioned in Title 15,
26 chapters 17 and 18, are used in connection with taxation, they are defined in the following manner:

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

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

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

1 representing a lien on the property or who is otherwise listed as the purchaser. An assignee is a purchaser.

2 ~~(6)(8)~~ "Tax", "taxes", or "property taxes" means all ad valorem property taxes, property assessments,
3 fees related to property, and assessments for special improvement districts and rural special improvement
4 districts.

5 ~~(7)(9)~~ "Tax lien sale" means:

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

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

10

11 **Section 6.** Section 15-17-318, MCA, is amended to read:

12 **"15-17-318. Assignment of municipality's interest.** (1) (a) At any time after a parcel of land that is not
13 all or part of a principal residence has been acquired by a municipality, as provided in 15-17-317, and has not
14 been redeemed, the treasurer of the municipality shall assign all the rights of the municipality in the property to
15 any person who pays:

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

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

18 ~~(c)(iii)~~ interest on the purchase price and delinquent assessments at the rate of 5/6 of 1% ~~a month or,~~
19 ~~for taxes due on a principal residence, at a rate of 4% above the prime rate, as published on the date of~~
20 ~~delinquency;~~ a month; and

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

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

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

1 certificate has been lost or destroyed.

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

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

9

10 **Section 7.** Section 15-17-319, MCA, is amended to read:

11 **"15-17-319. Sale or lease and disposition of proceeds from lands acquired by municipality.** A
 12 municipality may sell, donate, or lease property it acquires under ~~15-17-317~~ 15-17-318(1)(a) or (4) in the same
 13 manner as a county may sell, donate, or lease tax-deed property under Title 7, chapter 8, part 23. All money
 14 received by the municipality from the sale or lease of the ~~land~~ property, after payment of the cost of sale, not to
 15 exceed \$25, must be paid into the improvement fund to the extent of the delinquent assessments, interest, and
 16 penalties. The surplus, if any, must be paid into any revolving fund that secures payment of special assessments
 17 or, if there ~~are none~~ is no revolving fund, to the general fund of the municipality."

18

19 **Section 8.** Section 15-17-320, MCA, is amended to read:

20 **"15-17-320. Taxes and subsequent installments of special assessments on land acquired by a**
 21 **municipality.** For property that is acquired by a municipality as provided in ~~15-17-317~~ 15-17-318(1)(a) or (4),
 22 subsequent installments of the special assessment or assessments, if any, and other special assessments not
 23 then delinquent must be levied, and taxes for the following years must be assessed in the same manner as if the
 24 property had not been so acquired. If the special assessments, ~~or~~ installments thereof of special assessments,
 25 or taxes are not paid when due, the property must again be sold in the manner provided by law and the levies
 26 of special assessments, assessments of taxes, and the sale of the property for delinquent special assessments
 27 and taxes must continue until the time when the property has been redeemed from ~~such~~ the sale."

28

29 ~~**Section 7.** Section 15-17-321, MCA, is amended to read:~~

30 ~~**"15-17-321. Resale for nonpayment.** (1) Except as provided in subsection (2), if a purchaser other~~

1 than the county does not pay the delinquent taxes, including penalties, interest, and costs, before 10 a.m. on the
 2 next business day following the day of purchase at a tax lien sale, the property must be made available for sale
 3 for the amount of the delinquent taxes, including penalties, interest, and costs, on the following business day of
 4 the tax lien sale, except as provided in subsection (2).

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

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

9

10 **Section 9.** Section 15-17-322, MCA, is amended to read:

11 **"15-17-322. Disposition of money from tax lien sale.** All money received from purchasers for
 12 delinquent taxes, penalties, interest, and costs must be deposited in the county treasury. ~~The~~ Except as provided
 13 in [section 1]:

14 (1) the money received, other than costs, must be credited to the various funds to which the taxes would
 15 have originally been distributed and in the same proportion as the taxes would have originally been distributed.
 16 ~~Any; and~~

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

19

20 **SECTION 10. SECTION 15-17-323, MCA, IS AMENDED TO READ:**

21 **"15-17-323. Assignment of rights -- form.** (1) ~~A~~ (a) Except as provided in subsection (1)(b), a tax lien
 22 sale certificate or other official record in which the county is listed as the purchaser must be assigned by the
 23 county treasurer to any person who, after providing proof of mail notice to the person to whom the property was
 24 assessed, as required by subsection (5), pays to the county the amount of the delinquent taxes, including
 25 penalties, interest, and costs, accruing from the date of delinquency.

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

28 (2) (a) The assignment made under subsection (1) must be in the form of an assignment certificate in
 29 substantially the following form:

30 I,, the treasurer of County, state of Montana, hereby certify that a tax lien sale for tax year

1 20..., in the county of, was held on (date), for the purpose of liquidating delinquent assessments,
 2 and I further certify that a property tax lien for delinquent taxes in the following property (insert property
 3 description) was offered for sale and that there was no purchaser of the property tax lien. Accordingly, the county
 4 was listed as the purchaser as required by 15-17-214, MCA. As of the date of this certificate, the delinquency,
 5 including penalties, interest, and costs amounting to \$, has not been liquidated by the person to whom the
 6 property was assessed, nor has the delinquency been otherwise redeemed.

7 Because there has been no liquidation of the delinquency or other redemption, I hereby assign all rights,
 8 title, and interest of the county of, state of Montana, acquired in the property by virtue of the tax lien sale
 9 to (name and address of assignee) to proceed to obtain a tax deed to the property or receive payment in
 10 case of redemption as provided by law.

11 Witness my hand and official seal of office this day of, 20...

12 County Treasurer
 13 County

14 (b) A copy of an assignment certificate must be mailed to the person to whom the taxes were assessed,
 15 at the address of record, together with a notice that the person may contact the county treasurer for further
 16 information on lien assignments and property tax lien sales.

17 (3) An assignment made by a purchaser other than the county, by an assignee of the county, or by a
 18 previous assignee may be made for any consideration whatsoever. An assignment so made is legal and binding
 19 only upon filing with the county treasurer a statement that the purchaser's or other assignee's interest in the
 20 property has been assigned. The statement must contain:

- 21 (a) the name and address of the new assignee;
- 22 (b) the name and address of the original purchaser of the tax lien sale certificate;
- 23 (c) the name and address of each previous assignee, if any;
- 24 (d) a description of the property upon which the property tax lien was issued, which must contain the
 25 same information as contained in the tax lien sale certificate or assignment certificate, as appropriate;
- 26 (e) the signature of the party, whether it is the purchaser or the assignee, making the assignment;
- 27 (f) the signature of the new assignee; and
- 28 (g) the date on which the statement was signed.

29 (4) If the certificate described in subsection (1) or the statement described in subsection (3) is lost or
 30 destroyed, the county treasurer shall, upon adequate proof and signed affidavit by the assignee that loss or

1 destruction has occurred, issue a duplicate certificate to the assignee.

2 (5) Prior to making a payment under subsection (1), a person shall send notice of the proposed payment,
3 by certified mail, to the person to whom the property was assessed. The form of the notice must be adopted by
4 the department by rule. The notice must have been mailed at least 2 weeks prior to the date of the payment. The
5 person making the payment shall provide proof of the mailing.

6 (6) The provisions of this section apply to any sale of land for which a treasurer's deed was not issued
7 on or before March 5, 1917, or for which a tax deed was not issued on or before April 23, 1987, and the holder
8 of any certificate described in subsection (1) has the same rights, powers, and privileges with regard to securing
9 a deed as any purchaser of land at a tax lien sale may now have."

10

11 **Section 11.** Section 15-18-211, MCA, is amended to read:

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

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

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

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

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

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

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

2 (4) ~~Deeds~~ A deed issued to ~~purchasers~~ a purchaser must be recorded by the county clerk as provided
3 in Title 7, chapter 4, part 26, except that when the county is the purchaser and subsequent tax deed holder, the
4 county clerk may not charge a fee for recording the deed."
5

6 **SECTION 12. SECTION 15-18-212, MCA, IS AMENDED TO READ:**

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

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

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

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

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

27 (3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by
28 subsection (1)(b) and the failure or neglect is evidenced by failure of the purchaser or assignee to file proof of
29 notice with the county clerk and recorder as required in subsection (8), the county treasurer shall notify the
30 purchaser or assignee of the obligation to give notice under subsection (1)(b). The notice of obligation may be

1 sent by certified mail, return receipt requested, to the purchaser or assignee at the address contained on the tax
2 lien sale certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.

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

8 (4) (a) The notice required under subsections (1) and (2) must be made by certified mail, return receipt
9 requested, to the current occupant, if any, of the property and to each party, other than a utility, listed on a
10 property title guarantee, provided that:

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

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

14 (b) The current occupant must also be served in person by the sheriff or by a registered process server
15 provided for in 37-60-301. The service must include a form on which the occupant may certify the property as a
16 principal residence for the purposes of [section 1].

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

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

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

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

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

30 (d) a statement that the party's rights in the property may be in jeopardy.

- 1 (6) The notices required by subsections (1), (2), and (5) must contain the following:
- 2 (a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;
- 3 (b) a description of the property on which the taxes are or were delinquent, which must be the same as
- 4 the description of the property on the tax lien sale certificate or in the record described in 15-17-214(2)(b);
- 5 (c) the date that the property taxes became delinquent;
- 6 (d) the date that the property tax lien attached as the result of a tax lien sale;
- 7 (e) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of
- 8 pending tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties,
- 9 interest, and costs that must be paid for the property tax lien to be liquidated;
- 10 (f) the name and address of the purchaser;
- 11 (g) the name of the assignee if an assignment was made as provided in 15-17-323;
- 12 (h) the date that the redemption period expires or expired;
- 13 (i) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on or
- 14 prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer
- 15 will otherwise issue a tax deed, a tax deed may be issued to the purchaser on the day following the date on which
- 16 the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed; and
- 17 (j) the business address and telephone number of the county treasurer who is responsible for issuing
- 18 the tax deed.
- 19 (7) The amount of interest and costs provided for in subsection (6)(e) continues to accrue until the date
- 20 of redemption. The total amount of interest and costs that must be paid for redemption must be calculated by the
- 21 county treasurer as of the date of payment.
- 22 (8) Proof of notice in whatever manner given must be filed with the county clerk and recorder. If the
- 23 purchaser or assignee is other than the county, the proof of notice must be filed with the county clerk and recorder
- 24 within 30 days of the mailing or publishing of the notice. If the purchaser or assignee is the county, the proof of
- 25 notice must be filed before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima
- 26 facie evidence of the sufficiency of the notice.
- 27 (9) A county or any officer of a county may not be held liable for any error of notification."
- 28
- 29 **NEW SECTION. Section 13. Codification instruction.** [Section 1] is intended to be codified as an
- 30 integral part of Title 15, chapter 18, and the provisions of Title 15, chapter 18, apply to [section 1].

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

NEW SECTION. **Section 15. Effective date.** [This act] is effective July 1, 2015.

NEW SECTION. **Section 16. Applicability -- nonapplicability.** (1) [This act] applies only to tax delinquencies that begin on or after [the effective date of this act] and only to principal residences, as defined in 15-17-121 as amended by [this act].

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

- END -