

HOUSE BILL NO. 18

INTRODUCED BY T. JACOBSON

BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCESS FOR THE SALE OF A TAX LIEN AND ISSUANCE OF A TAX DEED FOR DELINQUENT TAXES; ELIMINATING THE TAX LIEN SALE; REQUIRING THE COUNTY TO ASSIGN A TAX LIEN TO AN ASSIGNEE WHO PAYS DELINQUENT TAXES; REVISING NOTIFICATION AND NOTICE REQUIREMENTS RELATED TO THE ATTACHMENT OF A TAX LIEN AND ISSUANCE OF A TAX DEED; REQUIRING A DELINQUENT TAXPAYER TO ONLY PAY THE PROPERTY TAXES CURRENTLY DUE BEFORE PAYING DELINQUENT TAXES; ALLOWING AN ASSIGNEE TO PAY SUBSEQUENT YEAR DELINQUENT TAXES ONLY AFTER THE TAXES ARE DELINQUENT; ALLOWING CANCELLATION OF A TAX LIEN ATTACHED OR ASSIGNED IN ERROR; REVISING THE TIME PERIOD FOR WHICH REAL PROPERTY TAXES MUST BE DELINQUENT BEFORE THE COUNTY COMMISSION MAY CONSIDER CANCELLATION; REPEALING COUNTY TREASURER DUTIES RELATED TO COUNTY CONTRACTUAL OBLIGATIONS FOR SEED GRAIN, FEED, OR OTHER RELIEF; AMENDING SECTIONS 15-16-101, 15-16-102, 15-16-701, 15-17-121, 15-17-122, 15-17-123, 15-17-124, 15-17-131, 15-17-212, 15-17-317, 15-17-318, 15-17-320, 15-17-323, 15-17-324, 15-17-325, 15-17-326, 15-18-111, 15-18-112, 15-18-113, 15-18-114, 15-18-211, 15-18-212, 15-18-213, 15-18-214, 15-18-215, 15-18-216, 15-18-217, 15-18-218, 15-18-411, 15-18-412, 15-18-413, 39-3-501, 85-7-2136, 85-7-2152, 85-7-2155, 85-7-2156, 85-7-2157, 85-7-2158, 85-7-2159, 85-7-2162, 85-7-2163, AND 85-8-601, MCA; REPEALING SECTIONS 15-16-305, 15-17-211, 15-17-213, 15-17-214, AND 15-17-321, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND APPLICABILITY DATES."

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

**Section 1.** Section 15-16-101, MCA, is amended to read:

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

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount

1 then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency  
 2 until paid and 2% will be added to the delinquent taxes as a penalty;

3 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next  
 4 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  
 5 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;  
 6 and

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

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

11 (i) the taxable value of the property;

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

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

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

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

17 (vi) a notice of the availability of all the property tax assistance programs available to property taxpayers,  
 18 including the property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax  
 19 credit for the elderly under 15-30-2337 through 15-30-2341.

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

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

26 (4) The notice in every case must be ~~published once a week for 2 weeks in a weekly or daily newspaper~~  
 27 ~~published in the county, if there is one, or if there is not, then by posting it in three public places given as provided~~  
 28 in 7-1-2121. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to  
 29 give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

30 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional

1 tax is not owed and a new tax bill does not need to be prepared."  
2

3 **Section 2.** Section 15-16-102, MCA, is amended to read:

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

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

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

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

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

20 (b) If taxes on property qualifying under the property tax assistance program provided for in 15-6-305  
21 are paid within 20 calendar days of the date on which the taxes are due, the taxes may be paid without penalty  
22 or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must be paid and  
23 interest accrues from the date on which the taxes were due.

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

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

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

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

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

7

8 **Section 3.** Section 15-16-701, MCA, is amended to read:

9 **"15-16-701. List of delinquent personal property taxes and real property taxes.** (1) (a) The county  
10 treasurer shall prepare ~~in triplicate~~ and submit to the board of county commissioners of the county, on or before  
11 the first Monday in June of each year, a list of personal property taxes that are not a lien on real estate and that  
12 have been delinquent for 5 years or more. The list must show the following:

13 (i) the name and address of the delinquent taxpayer;

14 (ii) the amount of the delinquent taxes, plus interest, penalties, and costs, if any; and

15 (iii) the date the taxes became delinquent.

16 (b) The list prepared under subsection (1)(a) may not include personal property taxes that remain  
17 uncollected because of bankruptcy or other litigation.

18 (2) (a) At the time the list is prepared as provided in subsection (1)(a), the county treasurer may prepare  
19 ~~in triplicate~~ and submit to the board of county commissioners of the county a list of the real property taxes that  
20 have been delinquent for ~~40~~ 5 years or more. To be included on the list, the county treasurer must have attached  
21 a tax lien for to each property must have been sold at a tax lien sale under as provided in chapter 17, ~~which~~  
22 ~~includes the county as purchaser of the tax lien under 15-17-214~~, at least 3 years before preparation of the list.

23 If prepared, the list must show the following:

24 (i) the name and address of the delinquent taxpayer;

25 (ii) the amount of the delinquent taxes, plus interest, penalties, and costs, if any;

26 (iii) the real property identification number;

27 (iv) the legal description of the property;

28 (v) the date the taxes became delinquent; and

29 (vi) the date ~~of the last~~ the county treasurer attached a tax lien sale on to the property.

30 (b) The list prepared under subsection (2)(a) may not include real property taxes that remain uncollected

1 because of bankruptcy or litigation.

2 (3) The board of county commissioners may enter an order that permanently and prospectively cancels  
3 real property taxes on parcels identified by the county treasurer or the board as being solely used for road  
4 purposes and that otherwise meet the requirements of this section.

5 ~~(4) At the time the list is prepared as provided in subsection (1)(a), the county treasurer shall prepare~~  
6 ~~in triplicate and submit to the board of county commissioners of the county a list of all contractual obligations~~  
7 ~~owed to or held by the county for seed grain, feed, or other relief, the collection of which is barred by the statute~~  
8 ~~of limitations provided in 27-2-202(1). The list must show the following:~~

9 ~~—— (a) the name and address of the person or persons who entered into the contractual obligation;~~

10 ~~—— (b) the name of the contractual obligation, as "seed loan", "feed loan", or "promissory note", as~~  
11 ~~applicable; and~~

12 ~~—— (c) the date of obligation, the date when the last payment became due, the date of the last payment on~~  
13 ~~the obligation, and the date when the collection of the obligation became barred by the statute of limitations~~  
14 ~~provided in 27-2-202(1)."~~

15

16 **Section 4.** Section 15-17-121, MCA, is amended to read:

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

19 (1) "Assignee" means any person, other than the person to whom the property is assessed, who pays  
20 the delinquent taxes, including penalties, interest, and costs, and receives a tax lien certificate representing a lien  
21 on the property and an assignment certificate.

22 ~~(2) "Certificate" or "tax lien sale~~ "Assignment certificate" means the document described in ~~45-17-212~~  
23 ~~15-17-323.~~

24 ~~(2)(3)~~ (a) "Cost" means the cost incurred by the county as a result of a taxpayer's failure to pay taxes  
25 when 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 attachment of a 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)~~(iv) identifying interested persons entitled to notice of the pending issuance of a tax deed;  
 2           ~~(vi)~~(v) notifying interested persons;  
 3           ~~(vii)~~(vi) issuing the tax deed; and  
 4           ~~(viii)~~(vii) 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~~ an assignee. The county treasurer may require the ~~purchaser of the property tax lien~~  
 7 assignee to provide receipts or may allow the ~~purchaser of the property tax lien~~ assignee to provide a notarized  
 8 affidavit of costs to the county treasurer upon issuance of a tax lien ~~sale~~ certificate as required in 15-17-212 and  
 9 notification that a tax deed may be issued as required by 15-18-212 and 15-18-216. A county treasurer may at  
 10 any time require ~~a purchaser~~ an assignee who provided an affidavit of costs to submit the receipted costs upon  
 11 which the affidavit was based.

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

- 13           (i) postage for certified mailings and certified mailings with return receipt requested;  
 14           (ii) a title search, to the extent necessary to identify interested persons entitled to notice of the pending  
 15 issuance of a tax deed;  
 16           (iii) publishing costs for required publications; and  
 17           (iv) filing costs for proof of notice.

18           ~~(3)~~(4) "County" means any county government and includes those classified as consolidated  
 19 governments.

20           ~~(4)~~(5) "Property tax lien" or "tax lien" means a lien acquired attached by the ~~payment at a tax lien sale~~  
 21 ~~of all outstanding delinquent taxes~~ county for nonpayment of property taxes, including penalties, interest, and  
 22 costs.

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

26           (6) "Tax", "taxes", or "property taxes" means all ad valorem property taxes, property assessments, fees  
 27 related to property, and assessments for special improvement districts and rural special improvement districts.

28           (7) "Tax lien certificate" means the document described in 15-17-212.

29           ~~(7)~~(8) "Tax lien sale" means:

30           ~~(a) with respect to real property and improvements, the offering for sale by the county treasurer of a~~

1 ~~property tax lien representing delinquent taxes, including penalties, interest, and costs; and~~  
 2 ~~—— (b), with respect to personal property, the offering for sale by the county treasurer of personal property~~  
 3 ~~on which the taxes are delinquent or other personal property on which the delinquent taxes are a lien."~~

4

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

6 **"15-17-122. Notice of pending attachment of tax lien sale.** (1) The county treasurer shall publish or  
 7 post a notice of a pending attachment of a tax lien sale. The notice must include:

8 (a) ~~the specific time, date, and place an interest in the property on which the taxes are delinquent will~~  
 9 ~~be offered for sale~~ county will attach a property tax lien to property on which the taxes are delinquent;

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

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

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

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

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

20 (3) ~~The notice must be published once a week for 3 consecutive weeks in the newspaper designated~~  
 21 ~~for county printing as provided in 18-7-411. If no newspaper is published in the county, the notice must be posted~~  
 22 ~~by the county treasurer in three public places given as provided in 7-1-2121.~~ The notice must be first published  
 23 or posted on or before the last Monday in June.

24 (4) ~~Except as provided in 15-17-211(2), the tax lien sale may not be held less than 21 days or more than~~  
 25 ~~28 days from the date of first publication or first day the notice is posted.~~

26 ~~—— (5) The sale must be held at the office of the county treasurer.~~

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

30 ~~—— (7)(4) The provisions of this section do not apply to property for which delinquent property taxes have~~

1 been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

2

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

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

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

8 (b) the dates the notice was published.

9 (2) If no qualified newspaper is published in the county or an adjacent county, the affidavit must list the  
10 locations and date of the posting 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."

12

13 **Section 7.** Section 15-17-124, MCA, is amended to read:

14 **"15-17-124. Irregular assessment.** If the county treasurer discovers, prior to attachment of the tax lien  
15 ~~sale~~, that property on which the taxes are delinquent has been irregularly assessed, the county treasurer may  
16 ~~not offer the property or a property~~ attach a tax lien for sale. The taxes on the property must be listed on the  
17 property tax record as uncollected for the year in which they were due, and they must be assessed and collected  
18 during the succeeding year as taxes are regularly assessed and collected."

19

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

21 **"15-17-131. Common undivided ownership interest -- separate assessment -- property tax**  
22 **payments.** (1) Except as provided in subsection (2), payment of all property taxes on a parcel by any co-owner  
23 is considered payment by all owners, whether or not the property is assessed and taxed separately to co-owners  
24 or to a single owner. Any payment by a co-owner in excess of the amount assessed to the co-owner must be the  
25 total amount due on the parcel or a partial payment amounting to a year of deficiency, as provided in  
26 15-16-102(5)(a). The nonpayment of taxes by a co-owner who is separately assessed and taxed subjects only  
27 the interest of the nonpaying co-owner to attachment of a tax lien ~~sale~~.

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

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



1 co-owner's interest;

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

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

6 (b) Upon proof that a co-owner has complied with the provisions of this subsection (2), the paying  
7 co-owner is considered the ~~purchaser~~ assignee of a tax lien on the ownership interest of the nonpaying co-owner  
8 and the county treasurer shall prepare a tax lien ~~sale~~ certificate with the paying co-owner as the ~~purchaser~~  
9 assignee. The tax lien certificate ~~shall~~ must conform to the provisions of 15-17-212, except the certificate need  
10 not contain the information required in ~~15-17-212(1)(a) and (1)(b)~~ 15-17-212(2)(a) and (2)(b). The treasurer shall  
11 comply with the provisions of ~~15-17-212(2)~~ 15-17-212(3) regarding the tax lien certificate.

12 (c) For the purposes of this subsection (2), if there are more than two co-owners, single and multiple  
13 paying co-owners can receive a tax lien on the undivided interests of single and multiple nonpaying co-owners."  
14

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

16 **"15-17-212. Tax Attachment of tax lien sale and preparation of tax lien certificate.** (1) ~~After receiving~~  
17 ~~proof of mail notice to the person to whom the property was assessed, as required by subsection (3), and upon~~  
18 ~~receipt of all delinquent taxes, penalties, interest, and costs, the~~ (a) The county treasurer shall attach a tax lien  
19 no later than the first working day in August to properties on which the taxes are delinquent and for which proper  
20 notification was given as provided in 15-17-122 and subsection (4) of this section. Upon attachment of a tax lien,  
21 the county is the possessor of the tax lien unless the tax lien is assigned pursuant to 15-17-323.

22 (b) The county treasurer may not attach a tax lien to a property on which taxes are delinquent but for  
23 which proper notice was not given.

24 (2) After attaching a tax lien, the county treasurer shall prepare a tax lien ~~sale~~ certificate that must  
25 contain:

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

27 (b) the date on which a property tax lien was ~~sold at a tax lien sale~~ attached to the property;

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

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

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

1 ~~\_\_\_\_\_ (f) 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)(f) a statement that the tax lien certificate represents a lien on the property that may lead to the~~  
4 ~~issuance of a tax deed for the property;~~

5 ~~(h)(g) a statement specifying the date on which the purchaser county or an assignee will be entitled to~~  
6 ~~a tax deed; and~~

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

9 ~~(2)(3) The tax lien certificate must be signed by the county treasurer and delivered to the purchaser. A~~  
10 ~~copy of the tax lien certificate must be filed by the treasurer in the office of the county clerk. A copy of the tax lien~~  
11 ~~certificate must also be mailed to the person to whom the taxes were assessed, at the address of record, together~~  
12 ~~with a notice that the person may contact the county treasurer for further information on property tax lien sales~~  
13 ~~liens.~~

14 ~~(3)(4) Prior to paying delinquent taxes, penalties, interests, and costs received by the county treasurer~~  
15 ~~under subsection (1), a person attaching a tax lien to the property, the county treasurer shall send notice of the~~  
16 ~~proposed payment, by certified mail, pending attachment of a tax lien to the person to whom the property was~~  
17 ~~assessed. The form of the notice must be adopted by the department by rule include the information listed in~~  
18 ~~subsection (2), state that the tax lien may be assigned to a third party, and provide notice of the availability of all~~  
19 ~~the property tax assistance programs available to property taxpayers, including the property tax assistance~~  
20 ~~programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly under 15-30-2337~~  
21 ~~through 15-30-2341. The notice must have been mailed at least 2 weeks prior to the date of the payment but may~~  
22 ~~not be mailed earlier than 60 days prior to the date of the payment. The person making the payment shall provide~~  
23 ~~proof of the mailing on which the county treasurer attaches the tax lien.~~

24 ~~(5) The county treasurer shall file the tax lien certificate with the county clerk and recorder."~~  
25

26 **Section 10.** Section 15-17-317, MCA, is amended to read:

27 **"15-17-317. Municipality as purchaser assignee.** Whenever property that has been struck off to the  
28 county at a tax lien sale under 15-17-214 is subject to the lien of delinquent special assessments and has not  
29 been assigned under 15-17-214 or 15-17-323 at the request of the municipality, the county treasurer shall assign  
30 all of the rights of the county acquired in the property at the tax lien sale to the municipality upon payment of any

1 ~~delinquent taxes, excluding assessments, and costs, without penalty or interest. The duplicate certificate of sale~~  
 2 ~~must be delivered to the treasurer of the municipality, who shall file it. A charge may not be made for the duplicate~~  
 3 ~~certificate when the municipality is the purchaser, and the county treasurer shall make an entry "sold to the~~  
 4 ~~municipality" on the property tax record opposite the tax. The county treasurer must be credited with the~~  
 5 ~~delinquent amount in the settlement.~~

6 (1) At the request of a municipality and if the tax lien has not been assigned pursuant to 15-17-323, the  
 7 county treasurer shall assign the tax lien on a property with delinquent special assessments to the municipality  
 8 upon payment of costs and delinquent taxes, excluding delinquent assessments. The municipality is not required  
 9 to pay penalties or interest.

10 (2) The county treasurer:

11 (a) shall deliver to the treasurer of the municipality a copy of the tax lien certificate, which must be filed  
 12 by the treasurer of the municipality;

13 (b) may not charge a fee for an assignment certificate when a tax lien is assigned to a municipality; and

14 (c) shall make an entry "sold to the municipality" on the property tax record and be credited with the  
 15 delinquent taxes.

16 (3) Property sold to the municipality must be held in trust by the municipality for the improvement fund  
 17 into which the delinquent special assessments are payable."

18

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

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

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

24 (b) the delinquent assessments;

25 (c) interest on the purchase price and delinquent assessments at the rate of 5/6 of 1% a month; and

26 (d) penalties and costs as provided by law.

27 (2) The treasurer of the municipality shall execute to the person a an assignment ~~certificate of sale for~~  
 28 ~~the parcel, which may~~ must ~~be in substantially~~ the form provided in ~~15-17-212~~ 15-17-323 for the assignment of  
 29 the interests of the county. If the assignment ~~certificate of sale~~ becomes lost or accidentally destroyed by the  
 30 assignee, the treasurer of the municipality shall issue a duplicate assignment certificate to the assignee after the

1 assignee delivers to the treasurer evidence satisfactory to the treasurer, including an affidavit of the assignee,  
2 that the assignment certificate has been lost or destroyed.

3 (3) An assignment by a municipality under this section discharges the trust created under 15-17-317.  
4 The municipality may also discharge the trust created under 15-17-317 by paying into the improvement fund the  
5 amount of the delinquent assessments and interest accrued on the assessments."  
6

7 **Section 12.** Section 15-17-320, MCA, is amended to read:

8 **"15-17-320. Taxes and subsequent installments of special assessments on land acquired by a**  
9 **municipality.** For property that is acquired by a municipality as provided in 15-17-317, subsequent installments  
10 of the special assessment or assessments, if any, and other special assessments not then delinquent must be  
11 levied, and taxes for the following years must be assessed in the same manner as if the property had not been  
12 so acquired. If the special assessments or installments thereof or taxes are not paid when due, the property ~~must~~  
13 ~~is again be sold~~ subject to the attachment of a tax lien in the manner provided by law and the levies of special  
14 assessments, assessments of taxes, and the ~~sale of the property~~ attachment of a tax lien for delinquent special  
15 assessments and taxes must continue until the time when the property has been redeemed ~~from such sale.~~"  
16

17 **Section 13.** Section 15-17-323, MCA, is amended to read:

18 **"15-17-323. Assignment of rights -- form.** (1) ~~A (a) On or after the first working day in October, a~~  
19 ~~tax lien sale~~ certificate or other official record in which the county is listed as the ~~purchaser~~ possessor of the tax  
20 lien must be assigned by the county treasurer to any person who, after providing proof of mail notice to the person  
21 to whom the property was assessed, as required by subsection (5), pays to the county the amount of the  
22 delinquent taxes, including penalties, interest, and costs, accruing from the date of delinquency.

23 (b) The county treasurer shall develop a policy for assigning a tax lien when more than one person seeks  
24 the assignment and provides proof of mail notice to the person to whom the property was assessed. The county  
25 treasurer shall seek input from the county clerk and recorder and the county attorney in developing the policy.

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

28 I, ....., the treasurer of ..... County, state of Montana, hereby certify that ~~a tax lien sale for tax year~~  
29 ~~20...~~, in the county of ....., ..... (insert tax lien certificate number) was held attached on ..... (date), for the  
30 purpose of liquidating delinquent assessments, ~~and I further certify that a property tax lien for delinquent taxes~~

1 in on the following property ..... (insert property description) ~~was offered for sale and that there was no~~  
 2 ~~purchaser of the property tax lien. Accordingly, Because delinquent taxes, penalties, interest, and costs remained~~  
 3 ~~unpaid on the date of attachment of the tax lien, the county was listed as the purchaser as required by 15-17-214,~~  
 4 ~~MCA is the possessor of the tax lien.~~ As of the date of this assignment certificate, the delinquency, including  
 5 penalties, interest, and costs amounting to \$ ....., has not been liquidated by the person to whom the property  
 6 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~~ attachment  
 9 of a tax lien sale to ..... (name and address of assignee) to proceed to obtain a tax deed to the property or  
 10 receive payment in 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 liens, and property tax assistance programs.~~

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 county treasurer must file a copy of the statement with the clerk and  
 21 recorder. The statement must contain:

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

30 (4) If the ~~certificate described in subsection (1) or the statement~~ assignment certificate described in

1 subsection (3) is lost or destroyed, the county treasurer shall, upon adequate proof and signed affidavit by the  
2 assignee that loss or destruction has occurred, issue a duplicate assignment certificate to the assignee.

3 (5) Prior to making a payment under subsection (1), a person shall send notice of the proposed payment,  
4 by certified mail, to the person to whom the property was assessed. ~~The form of the notice must be adopted by~~  
5 ~~the department by rule.~~ The notice must have been mailed at least 2 weeks prior to the date of the payment but  
6 not earlier than August 15. The person making the payment shall provide proof of the mailing.

7 (6) The notice must be in the following form:

8 NOTICE OF PENDING ASSIGNMENT

9 (Pursuant to 15-17-212 and 15-17-323, MCA)

10 THIS NOTICE IS VERY IMPORTANT with regard to the tax lien, which ..... County holds on the following  
11 property. If the delinquent taxes are not paid by SEPTEMBER 30, an assignment of the tax lien will be purchased.

12 THIS COULD RESULT IN THE LOSS OF YOUR PROPERTY LISTED BELOW.

13 Please contact the ..... County Treasurer at (406) ..... with questions or to pay the delinquent taxes.

14 (Required Information):

15 Owner of record .....

16 Mailing address .....

17 Legal description .....

18 Parcel number .....

19 Geocode(s) .....

20 Date of notice .....

21 .....

22 Signature of interested assignee

23 .....

24 Printed name of interested assignee

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

29

30 **Section 14.** Section 15-17-324, MCA, is amended to read:



1           **"15-17-324. Assessment of property sold at with tax lien sale attached.** (1) The assessment of  
 2 property on which the county has attached a tax lien ~~sale certificate has been issued~~ or for which the county is  
 3 ~~listed as the purchaser, as provided in 15-17-214,~~ the possessor of the tax lien continues in the same manner  
 4 as other property is assessed.

5           (2) If any assessed taxes are not paid when due, they are delinquent."  
 6

7           **Section 15.** Section 15-17-325, MCA, is amended to read:

8           **"15-17-325. Sale not voided by misnomer of ownership.** When a tax lien ~~sale certificate is acquired~~  
 9 assignment is taken, as provided in ~~15-17-212~~ 15-17-323, or when the county is ~~listed as the purchaser, as~~  
 10 ~~provided in 15-17-214,~~ the possessor of the tax lien and the taxes were properly assessed on the property of a  
 11 particular person, no misnomer of ownership or other mistake relating to ownership affects the ~~sale~~ tax lien or  
 12 renders it void or voidable."  
 13

14           **Section 16.** Section 15-17-326, MCA, is amended to read:

15           **"15-17-326. Voided tax lien sale -- refund -- limitation on action for royalty interest.** (1) If a tax lien  
 16 ~~sale held attached~~ under the provisions of this chapter is declared void by a court for irregularity in the  
 17 assessment, levy, or ~~sale~~ assignment or if a tax lien is assigned in error, the money paid by the ~~purchaser at the~~  
 18 ~~tax lien sale or by any~~ assignee must be refunded, with interest at the rate payable upon delinquencies, as  
 19 provided in 15-16-102, from the date of the payment, to the ~~purchaser or owner of the tax lien sale certificate~~  
 20 assignee, together with any penalty paid by the ~~purchaser~~ assignee.  
 21

22           (2) Following the payment of a refund as provided in subsection (1), the county is ~~considered the~~  
 23 ~~purchaser and has a property~~ the possessor of the tax lien upon the property for the legal taxes on the property  
 24 accruing from the date of delinquency, plus penalties and interest as provided in 15-16-102. Any money refunded  
 25 that was received, as provided in ~~15-17-212~~ 15-17-323, and distributed by the treasurer to the state or a city,  
 26 town, or district must be charged to the state, city, town, or district, respectively, by the treasurer and deducted  
 27 from the next money due the state, city, town, or district on account of taxes paid or collected. ~~A purchaser of a~~  
 28 ~~property tax lien or owner of a property tax lien by assignment when sales have been made~~ An assignment made  
 29 by a city or town that by resolution or ordinance collects its own taxes instead of having the taxes collected by  
 30 the county treasurer must be reimbursed in similar manner and in similar circumstances out of the city or town  
 treasury upon order of the mayor or, when applicable, the city manager or presiding officer of the city commission.

1 The city or town clerk or city or town treasurer, as appropriate, shall make proper charges and deductions against  
2 the respective funds of the city or town upon the next collection of taxes by the city or town.

3 (3) The ~~purchaser~~ assignee has a lien upon the property for the amount of taxes, penalties, interest, and  
4 costs paid, with the interest to be at the rate specified for delinquencies in 15-16-102. If the ~~purchaser~~ assignee  
5 is in possession of the property and resides on the property, the ~~purchaser~~ assignee may not be ejected from the  
6 property until the ~~purchaser's~~ assignee's lien has been liquidated.

7 (4) All affirmative defenses at law or equity, including but not limited to estoppel, laches, and adverse  
8 possession, may apply in a suit brought to challenge the title to a royalty interest in land claimed to have been  
9 acquired by a county by tax deed.

10 (5) An action against a county to recover a royalty interest in land acquired by the county by tax deed  
11 must be brought within the period prescribed in 27-2-210."  
12

13 **Section 17.** Section 15-18-111, MCA, is amended to read:

14 **"15-18-111. Time for redemption -- interested party.** (1) Except as provided in subsection (2),  
15 redemption of a property tax lien ~~acquired at a tax lien sale or otherwise~~ may be made by the owner, the holder  
16 of an unrecorded or improperly recorded interest, the occupant of the property, or any interested party ~~within 36~~  
17 ~~months from the date of the first day of the tax lien sale or within 60 days following the giving of the notice~~  
18 ~~required in 15-18-212, whichever is later~~ by the first working day in August, 3 years after attachment of the tax  
19 lien.

20 (2) For property subdivided as a residential or commercial lot upon which special improvement district  
21 assessments or rural special improvement district assessments are delinquent and upon which no habitable  
22 dwelling or commercial structure is situated, redemption of a property tax lien ~~acquired at a tax lien sale or~~  
23 ~~otherwise~~ may be made by the owner, the holder of an unrecorded or improperly recorded interest, or any  
24 interested party ~~within 24 months from the date of the first day of the tax lien sale or within 60 days following the~~  
25 ~~giving of the notice required in 15-18-212, whichever is later~~ by the first working day in August, 2 years after  
26 attachment of the tax lien.

27 (3) For the purposes of this chapter, an "interested party" includes a mortgagee, vendor of a contract  
28 for deed or the vendor's successor in interest, lienholder, or other person who has a properly recorded interest  
29 in the property. A person who has an interest in property on which there is a property tax lien but which interest  
30 is not properly recorded is not an interested party for the purposes of this chapter."



1

2 **Section 18.** Section 15-18-112, MCA, is amended to read:

3 **"15-18-112. Redemption from property tax lien -- lien on interest in property for taxes paid.** (1) (a)

4 Except as provided in ~~subsection~~ subsections (1)(b) and (4), in all cases in which a property tax lien has been  
5 acquired assigned, the ~~purchaser~~ assignee may pay the subsequent taxes assessed against the property on or  
6 after June 1 and prior to July 31 if the taxes have not been paid by the property owner.

7 (b) If the property qualifies for the property tax assistance program provided for in 15-6-305 and the taxes  
8 have not been paid by the property owner, the subsequent taxes may be paid after the time period provided for  
9 in 15-16-102(4)(b) and prior to July 31.

10 (2) Upon ~~the redemption of the property from~~ the property tax lien, the redemptioner shall pay, in addition  
11 to the amount ~~for which of~~ the property tax lien ~~was sold~~, including penalties, interest, and costs, ~~pay~~ the  
12 subsequent taxes assessed, with interest and penalty at the rate established for delinquent taxes in 15-16-102.

13 (3) An owner of less than all of the interest or a lienholder with an interest in real property who redeems  
14 a property tax lien on the property has a lien for the taxes paid on the interests of the property that are not owned  
15 by the redemptioner.

16 (4) The property tax lien may also be redeemed for a particular tax year by a partial payment of that tax  
17 year, as provided in 15-16-102(5), if:

18 (a) the property tax lien for the year in which the partial payment is made is owned by the county; and

19 (b) the tax deed has not been issued pursuant to 15-18-211."

20

21 **Section 19.** Section 15-18-113, MCA, is amended to read:

22 **"15-18-113. Treasurer to record file redemptions.** (1) ~~Upon payment of all delinquent taxes, including~~  
23 ~~penalties, interest, and costs, by the person to whom taxes were assessed or the person's agent to the county~~  
24 ~~treasurer and refunded to the person listed as purchaser, as provided in 15-17-212(1)(e), 15-17-213, or~~  
25 ~~15-17-214, or distributed, as provided in 15-18-114, the word "redeemed", the date, and the name of the~~  
26 ~~redemptioner must be marked by the county treasurer on the tax lien sale certificate or in the record required in~~  
27 ~~15-17-214. Upon redemption, the~~ The county treasurer shall execute a certificate of redemption to be filed ~~or~~  
28 ~~recorded~~ with the county clerk and recorder upon:

29 (a) payment to the county treasurer of all delinquent taxes, including penalties, interest, and costs, by  
30 the person to whom taxes were assessed or the person's agent; and

1 (b) distribution of the redemption proceeds pursuant to 15-18-114.

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

3 CERTIFICATE OF REDEMPTION

4 I, ....., the treasurer of ..... County, certify the following:

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

7 2. The tax lien ~~on the~~ was attached to the property ~~was sold on~~.....(date of attachment of the tax lien  
8 ~~sale~~). Tax Lien ~~Sale~~ Certificate No. .... ~~or and Tax-Lien Assignment~~ Certificate No. .... (if applicable).

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

10 Taxes.....

11 Penalty.....

12 Interest.....

13 Cost.....

14 Total.....

15 Receipt Number.....

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

17 Date: .....

18 .....

19 Signature"

20

21 **Section 20.** Section 15-18-114, MCA, is amended to read:

22 **"15-18-114. Distribution of redemption proceeds.** (1) When ~~a property tax lien for which~~ the county  
23 ~~is listed as purchaser~~ in possession of a tax lien that is redeemed, the money received from the redemption,  
24 including penalties and interest but not costs, must be distributed to the credit of the various funds to which the  
25 taxes would have originally been distributed and in the same proportion as the taxes would have originally been  
26 distributed.

27 (2) (a) When ~~a property tax lien for which the recorded purchaser is other than the county~~ an assignee  
28 is in possession of a tax lien that is redeemed, the county treasurer shall distribute to the person listed as the  
29 ~~purchaser~~ assignee on the ~~tax lien sale~~ assignment certificate provided for in 15-17-323, and in the record kept  
30 by the county treasurer the amount the ~~purchaser~~ assignee paid the county for the property tax lien plus any

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

4 (b) (i) The distribution must be made by ~~certified mail, return receipt requested~~; by the county treasurer  
 5 to the purchaser assignee at the address listed on the tax lien sale assignment certificate as provided in  
 6 ~~15-17-212(1)(e)~~ within 30 days of redemption.

7 (ii) If the money distributed to the purchaser assignee is returned unopened to the county treasurer, the  
 8 treasurer shall ~~publish once a week for 2 consecutive weeks in the official newspaper of the county a~~ give notice  
 9 as provided in 7-1-2121 stating that:

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

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

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

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

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

20

21 **Section 21.** Section 15-18-211, MCA, is amended to read:

22 **"15-18-211. Tax deed -- fee.** (1) Except as provided in subsection (3), if the property tax lien is not  
 23 redeemed in the time allowed under 15-18-111, the county treasurer shall grant the purchaser assignee a tax  
 24 deed for the property. The deed must contain the same information as is required in a tax lien sale certificate  
 25 under 15-17-212 and an assignment certificate under 15-17-323, except the description of the property must be  
 26 the full legal description, and a statement that the property tax lien was not redeemed during the redemption  
 27 period provided in 15-18-111.

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

1 be deposited in the county general fund.

2 (b) If the ~~purchaser is~~ tax deed is issued to the county, no fee may be charged for making the deed.

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

5 (3) If ~~the purchaser is the county and~~ no assignment has been made, the county treasurer may not issue  
6 a tax deed to the county unless the board of county commissioners, by resolution, directs the county treasurer  
7 to issue a tax deed.

8 (4) Deeds issued to ~~purchasers~~ assignees or the county must be recorded by the county clerk as  
9 provided in Title 7, chapter 4, part 26, except that when the county is ~~the purchaser and subsequent~~ issued the  
10 tax deed holder, the county clerk may not charge a fee for recording the deed."  
11

12 **Section 22.** Section 15-18-212, MCA, is amended to read:

13 **"15-18-212. Notice -- proof of notice -- penalty for failure to notify.** (1) ~~Not more than 60 days prior~~  
14 ~~to and not more than 60 days following the expiration of the redemption period provided in 15-18-111~~ Between  
15 May 1 and May 30 of the year in which the redemption period expires, a notice must be given as follows:

16 (a) for each property for which ~~there has been issued to the county a tax lien sale certificate or for which~~  
17 ~~the county is otherwise listed as the purchaser or assignee~~ the county attached a tax lien and has not assigned  
18 the tax lien, the county ~~clerk and recorder~~ treasurer shall notify the parties as required in subsection (4) ~~and the~~  
19 ~~current occupant of the property, if any~~, that a tax deed may be issued to the county unless the property tax lien  
20 is redeemed prior to the expiration date of the redemption period; or

21 (b) for each property for which ~~there has been issued a tax lien sale certificate to a purchaser other than~~  
22 ~~the county or for which an assignment has been made~~ the county attached a tax lien and assigned the tax lien  
23 pursuant to 15-17-323, the ~~purchaser or assignee, as appropriate~~, shall notify the parties as required in  
24 subsection (4); ~~if any~~, that a tax deed will be issued to the ~~purchaser or assignee~~ unless the property tax lien is  
25 redeemed prior to the expiration date of the redemption period.

26 (2) (a) Except as provided in subsection (2)(b), if the county ~~is the purchaser~~ is the possessor of the tax  
27 lien, an assignment has not been made, and the board of county commissioners has not directed the county  
28 treasurer to issue a tax deed during the period described in subsection (1) but the board of county commissioners  
29 at a time subsequent to the period described in subsection (1) does direct the county treasurer to issue a tax  
30 deed, the county ~~clerk and recorder~~ treasurer shall provide notification to the parties as required in subsection

1 (4) ~~and the current occupant, if any,~~ in the manner provided in subsection (1)(a). The notification required under  
 2 this subsection must be made not less than 60 days or more than 120 days prior to the date on which the county  
 3 treasurer will issue the tax deed.

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

6 (3) (a) ~~If a purchaser other than the county or an assignee fails or neglects to give notice as required by~~  
 7 ~~subsection (1)(b) and the failure or neglect is evidenced by failure of the purchaser or assignee to file proof of~~  
 8 ~~notice with the county clerk and recorder as required in subsection (8), the~~ The county treasurer shall notify the  
 9 ~~purchaser or assignee of the obligation to give notice under subsection (1)(b) between January 1 and January~~  
 10 31 of the year in which the redemption period expires. The notice of obligation may be sent by certified mail,  
 11 return receipt requested, to the ~~purchaser or assignee at the address contained on the tax lien sale assignment~~  
 12 ~~certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.~~

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

19 (4) (a) The notice required under subsections (1) and (2) must be in the form required by 15-18-215 and  
 20 be made by certified mail, return receipt requested, to the current occupant, if any, of the property and to each  
 21 party, other than a utility, listed on a property title guarantee, provided that:

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

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

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

28 (5) ~~In all cases in which the address of an interested party is not known, the~~ 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.~~

9 ~~\_\_\_\_\_ (6) The notices required by subsections (1), (2), and (5) must contain the following:~~

10 ~~\_\_\_\_\_ (a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;~~

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

13 ~~\_\_\_\_\_ (c) the date that the property taxes became delinquent;~~

14 ~~\_\_\_\_\_ (d) the date that the property tax lien attached as the result of a tax lien sale;~~

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

18 ~~\_\_\_\_\_ (f) the name and address of the purchaser;~~

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

20 ~~\_\_\_\_\_ (h) the date that the redemption period expires or expired;~~

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

25 ~~\_\_\_\_\_ (j) the business address and telephone number of the county treasurer who is responsible for issuing  
 26 the tax deed, give notice as provided in 7-1-2121 and in the form required by 15-18-215.~~

27 ~~(7)(6)~~ The amount of interest and costs provided for in subsection (6)(e) continues to accrue until the  
 28 date of redemption. The total amount of interest and costs that must be paid for redemption must be calculated  
 29 by the county treasurer as of the date of payment.

30 ~~(8)(7)~~ Proof of notice in whatever manner must be given as provided in 15-18-216 and must be filed with

1 the county clerk and recorder. ~~If the purchaser or An assignee is other than the county, the~~ must file proof of  
 2 notice ~~must be filed~~ with the county clerk and recorder within 30 days of the mailing or publishing of the notice.  
 3 If the ~~purchaser or assignee is the county~~ is the possessor of the tax lien, the proof of notice must be filed before  
 4 the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima facie evidence of the  
 5 sufficiency of the notice.

6 ~~(9)(8)~~ A county or any officer of a county may not be held liable for any error of notification."  
 7

8 **Section 23.** Section 15-18-213, MCA, is amended to read:

9 **"15-18-213. Form of tax deed -- prima facie evidence.** (1) The form of a tax deed issued under the  
 10 provisions of this chapter, executed by a county treasurer, must be made ~~in substance~~ as follows:

11 This deed is made by ..... (name of county treasurer), county treasurer of the county of ..... (name  
 12 of county), in the state of Montana, to ..... (name of ~~purchaser assignee~~, the ~~purchaser's assignee's~~ agent, or  
 13 ~~assignee~~ county that is the possessor of the tax lien), as provided by the laws of the state of Montana:

14 Whereas, there was assessed for ..... (year) the following real property ..... (description of the  
 15 property); and

16 Whereas, the taxes for ..... (year) levied against the property amounted to \$ .....; and

17 Whereas, the taxes were not paid and a property tax lien for the payment of the taxes was attached by  
 18 ..... (name of county) and was ~~sold~~ assigned to ..... (if applicable, name of purchaser or the purchaser's  
 19 agent or assignee) on ..... (date, including year) for the sum of \$ ....., which amount included delinquent  
 20 taxes in the amount of \$ ....., penalties in the amount of \$ ....., interest in the amount of \$ ....., and other  
 21 costs in the amount of \$ .....; and

22 Whereas, a tax lien ~~sale~~ certificate was issued and filed ~~or the sale otherwise recorded~~ as required by  
 23 law; and

24 Whereas, notice was given to required parties in accordance with 15-18-212 that the issuance of a tax  
 25 deed was pending; and

26 Whereas, the property tax lien has not been redeemed by ..... (name of former owner) or any other  
 27 person entitled to redeem it.

28 Now, therefore, I, ..... (treasurer's name), county treasurer of the county of ....., in the state of  
 29 Montana, in consideration of the sum of \$ ..... paid, hereby grant to ..... (name of ~~purchaser assignee~~ or  
 30 the ~~purchaser's assignee's~~ agent or assignee county that is the possessor of the tax lien) all the property situated

1 in ..... County, state of Montana, described in this document.

2 Witness my hand on this date ..... (date, including year).

3 .....County Treasurer

4 .....County

5 (2) A tax deed executed in ~~substantially~~ the form provided in subsection (1) is prima facie evidence that:

6 (a) the property was assessed as required by law;

7 (b) the taxes were levied in accordance with law;

8 (c) the taxes were not paid when due;

9 (d) notice of the pending attachment of a tax lien sale was given and ~~a property tax lien was sold~~ the tax  
10 lien was attached at the proper time and place as provided by law;

11 (e) the property was not redeemed, and proper notice of a pending tax deed issuance was made as  
12 required by law;

13 (f) the person who executed the deed was legally authorized to do so; and

14 (g) if the real property was sold to pay delinquent taxes on personal property, the real property belonged  
15 to the person liable to pay the personal property tax."

16

17 **Section 24.** Section 15-18-214, MCA, is amended to read:

18 **"15-18-214. Effect of deed.** (1) ~~A Subject to 15-18-411 and 15-18-413, a~~ deed issued under this chapter  
19 conveys to the grantee absolute title to the property described in the deed as of the date of the expiration of the  
20 redemption period, free and clear of all liens and encumbrances, except:

21 (a) when the claim is payable after the execution of the deed and:

22 (i) a subsequent property tax lien ~~attaches subsequent to the tax lien sale~~ is attached; or

23 (ii) a lien of any special, rural, local improvement, irrigation, or drainage assessment is levied against the  
24 property;

25 (b) when the claim is an easement, servitude, covenant, restriction, reservation, or similar burden lawfully  
26 imposed on the property; or

27 (c) when the land is owned by the United States, this state, or a subdivision of this state.

28 (2) Under the conditions described in subsection (1), the deed is prima facie evidence of the right of  
29 possession accrued as of the date of expiration of the period for redemption or the date upon which a tax deed  
30 was otherwise issued."



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**Section 25.** Section 15-18-215, MCA, is amended to read:

**"15-18-215. Form of notice that tax deed may issue.** Section 15-18-212 requires that notice be given to all persons considered interested parties and to the current occupant of property that may be lost to a tax deed. The notice ~~may~~ must be made as follows:

NOTICE THAT A TAX DEED MAY BE ISSUED

TO:.....  
(Name) (Address, when unknown, so state)

Pursuant to section 15-18-212, Montana Code Annotated, NOTICE IS HEREBY GIVEN:

1. As a result of a property tax delinquency, a property tax lien exists on the following described real property in which you may have an interest:

.....  
.....

2. The property taxes became delinquent on .....

3. The property tax lien was attached ~~as the result of a tax lien sale held~~ on .....

4. ~~The property tax lien was purchased at a tax lien sale on ..... by ..... (Name) ..... (Address);~~

~~5. The lien was subsequently assigned to ..... (if applicable).~~

~~65.~~ As of the date of this notice, the amount of tax due is:

- TAXES:.....
- PENALTY:.....
- INTEREST:.....
- COST:.....
- TOTAL:.....

~~76.~~ For the property tax lien to be liquidated, the total amount listed in paragraph ~~65~~ must be paid by ....., which is the date that the redemption period expires or expired.

~~87.~~ If all taxes, penalties, interest, and costs are not paid to the ~~county treasurer~~ county treasurer on or prior to ....., which is the date the redemption period expires, or on or prior to the date on which the county treasurer will otherwise issue a tax deed, a tax deed may be issued to the ~~purchaser~~ assignee or county that is the possessor of the tax lien on the day following the date that the redemption period expires or on the date the county treasurer will otherwise issue a tax deed.



1 98. The business address and telephone number of the county treasurer who is responsible for issuing  
2 the tax deed is: ..... County Treasurer, ..... (Address), ..... (Telephone).

3 FURTHER NOTICE FOR THOSE PERSONS LISTED

4 ABOVE WHOSE ADDRESSES ARE UNKNOWN:

- 5 1. The address of the interested party is unknown.
- 6 2. The published notice meets the legal requirements for notice of a pending tax deed issuance.
- 7 3. The interested party's rights in the property may be in jeopardy.

8 DATED at ..... this ..... (Date).

9 .....  
10 Signature"

12 Section 26. Section 15-18-216, MCA, is amended to read:

13 "15-18-216. Form of proof of notice. Section 15-18-212 requires that proof of notice must be filed with  
14 the county clerk. The proof of notice ~~may~~ must be made as follows:

15 PROOF OF NOTICE

16 I, ..... (Name and Address), acting as or on behalf of the owner of the property tax lien, have complied  
17 with the notice requirements of Title 15, chapter 18, MCA, as follows:

18 1. A "Notice of ~~Issuance of that a~~ Tax Deed May Be Issued" was mailed to the owners, current occupant,  
19 and parties, as required by 15-18-212, MCA. A copy of each notice is attached or is on file in the office of the  
20 county clerk.

21 2. The notices were mailed by certified mail, return receipt requested. Copies of the return receipts are  
22 attached or are on file in the office of the county clerk.

23 3. Notice was given ~~to parties with unknown addresses~~ by publishing in the official newspaper of the  
24 county as required by 7-1-2121, which is ....., on ..... and ..... or posting in the three public places  
25 designated by the governing body, which are ....., ....., and ..... . Proof of publication is attached.

26 DATED: .....

27 \_\_\_\_\_  
28 \_\_\_\_\_ (Signature)

29 SUBSCRIBED AND SWORN TO before me this ..... (Date):

30 \_\_\_\_\_

1 \_\_\_\_\_ Notary Public for the State of Montana

2 \_\_\_\_\_ Residing in .....

3 \_\_\_\_\_ My Commission Expires .....

4 State of .....

5 County of .....

6 The record was signed before me on (date) by (name(s) of individual(s)) .....

7 .....  
8

(Signature of notarial officer)

9 (Official stamp)

10 .....  
11

Title of officer (if not shown in stamp)"

12

13 **Section 27.** Section 15-18-217, MCA, is amended to read:

14 **"15-18-217. Form of cancellation.** The notice of cancellation of an assignment required by 15-18-212  
15 of a tax lien as evidenced by a tax lien sale certificate or assignment may must be made as follows:

16 I, ....., the treasurer of ..... County, certify that ..... (name of the ~~purchaser or the purchaser's agent or~~  
17 assignee or assignee's agent) of ..... (address), purchased a tax lien assignment ..... (~~tax lien sale certificate~~  
18 ~~no. or tax lien~~ certificate no.) on property owned by ..... (name of owner of record). See legal  
19 description attached as exhibit "A", Tax Receipt No. .... on ..... (date).

20 I further certify that pursuant to 15-18-212(3)(a), notice was given to ..... (name of ~~purchaser or the~~  
21 ~~purchaser's agent or~~ assignee or assignee's agent) of the notification obligation and that the tax lien will be  
22 canceled if the ~~purchaser~~ assignee does not comply with provisions of 15-18-212 ~~within 120 days from .....~~ (date  
23 ~~of mailing of certified letter~~).

24 I further certify that the treasurer of ..... County has no record of notice by the owner of the tax lien in  
25 accordance with 15-18-212~~(9)~~(7).

26 Therefore, noncompliance by the assignee has caused the tax lien to be canceled this ..... (date).

27 .....

28 Name of County Treasurer"

29

30 **Section 28.** Section 15-18-218, MCA, is amended to read:



1           **"15-18-218. Charge not allowed for filings or recordings made by county treasurer.** The county  
 2 clerk and recorder may not impose a charge for ~~tax lien assignments~~, tax lien ~~sale~~ certificates, assignment  
 3 certificates, certificates of redemption, or any other form that the county treasurer is required to file or record with  
 4 the county clerk and recorder."

5

6           **Section 29.** Section 15-18-411, MCA, is amended to read:

7           **"15-18-411. Action to quiet title to tax deed -- notice.** (1) (a) In an action brought to set aside or annul  
 8 any tax deed or to determine the rights of a ~~purchaser~~ an assignee to real property claimed to have been acquired  
 9 through tax proceedings or a tax lien ~~sale~~ assignment, the ~~purchaser~~ assignee, upon filing an affidavit, may obtain  
 10 from the court an order directed to the person claiming to:

11           (i) own the property;

12           (ii) have any interest in or lien upon the property;

13           (iii) have a right to redeem the property; or

14           (iv) have rights hostile to the tax title.

15           (b) The person described in subsections (1)(a)(i) through (1)(a)(iv) is referred to as the true owner.

16           (c) Except as provided in subsection (1)(d), the order described in subsection (1)(a) may command the  
 17 true owner to:

18           (i) deposit with the court for the use of the ~~purchaser~~ assignee:

19           (A) the amount of all taxes, interest, penalties, and costs that would have accrued if the property had  
 20 been regularly and legally assessed and taxed as the property of the true owner and was about to be redeemed  
 21 by the true owner; and

22           (B) the amount of all sums reasonably paid by the ~~purchaser~~ assignee following the order and after 3  
 23 years from the date of the attachment of the tax lien ~~sale~~ to preserve the property or to make improvements on  
 24 the property while in the ~~purchaser's~~ assignee's possession, as the total amount of the taxes, interest, penalties,  
 25 costs, and improvements is alleged by the plaintiff and as must appear in the order; or

26           (ii) show cause on a date to be fixed in the order, not exceeding 30 days from the date of the order, why  
 27 the payment should not be made.

28           (d) The deposit provided for in subsection (1)(c) may not be required of a person found by the court to  
 29 be indigent following an examination into the matter by the court upon the request of a true owner claiming to be  
 30 indigent.

1 (2) The affidavit must list the name and address of the true owner and whether the owner is in the state  
2 of Montana, if known to the plaintiff, or state that the address of the true owner is not known to the plaintiff.

3 (3) (a) The order must be filed with the county clerk and a copy served personally upon each person  
4 shown in the affidavit claiming to be a true owner and whose name and address are reasonably ascertainable.

5 (b) Jurisdiction is acquired over all other persons by:

6 ~~\_\_\_\_\_ (i) publishing the order once in the official newspaper of the county;~~

7 ~~\_\_\_\_\_ (ii) posting the order in three public places in the county at least 10 days prior to the hearing; and~~

8 ~~\_\_\_\_\_ (iii) giving a copy of the order to the county treasurer."~~

9

10 **Section 30.** Section 15-18-412, MCA, is amended to read:

11 **"15-18-412. Procedure in tax deed quiet title action.** (1) Upon the hearing of the order to show cause,  
12 the court has jurisdiction to determine the amount to be deposited and to make an order that the same be paid  
13 to the court within a period not exceeding 30 days after the order is made.

14 (2) (a) Except as provided in subsections (2)(b) and (2)(c), if the amount is not paid within the time fixed  
15 by the court, the true owner is considered to have waived any defects in the tax proceedings and any right of  
16 redemption. In the event of waiver, the true owner has no claim of any kind against the state ~~or purchaser, a~~  
17 county that is the possessor of the tax lien, or an assignee, and a decree must be entered in the action quieting  
18 the title of the ~~purchaser county or the assignee~~ as against the true owner.

19 (b) The proceedings are void if the taxes were not delinquent or have been paid.

20 (c) A deposit is not required if the true owner is found by the court to be indigent following an examination  
21 into the matter by the court upon the request of a true owner claiming to be indigent.

22 (3) If payment is made to the court and the true owner is successful in the action and the tax proceedings  
23 are declared void, the amount deposited with the court must be paid to the ~~purchaser county that is the possessor~~  
24 of the tax lien or the assignee.

25 (4) If the purported true owner is not successful in the action and the title of the ~~purchaser county that~~  
26 is the possessor of the tax lien or the assignee is sustained, the money must be returned to the purported true  
27 owner.

28 (5) In any action brought by a ~~purchaser county that is the possessor of the tax lien or the assignee~~ to  
29 quiet title, several tracts of land, whether contiguous or noncontiguous or owned by different defendants, may  
30 be set forth in one complaint. All persons claiming any title to, interest in, or lien upon any of the premises or any

1 part of the premises may be joined as defendants, even though their claims are independent, are not in common,  
 2 and do not cover the same tracts. The procedure in the action must follow, as nearly as practicable, the procedure  
 3 specified in 70-28-101 through 70-28-109.

4 (6) In the final judgment, the court shall also determine the rights resulting from any additional taxes on  
 5 the property accruing or being paid by either party during the pendency of the suit.

6 (7) In the quiet title action, the court has complete jurisdiction to fix the amount of taxes that should have  
 7 been paid, including penalties, interest, and costs, and to determine all questions necessary in granting full relief,  
 8 including the power to order the department or any tax officer to make and certify to the court a corrected or new  
 9 assessment or to do any other act necessary to enable the court to do complete justice. Errors may be reviewed  
 10 on appeal from the final judgment."  
 11

12 **Section 31.** Section 15-18-413, MCA, is amended to read:

13 **"15-18-413. Title conveyed by deed -- defects.** (1) All deeds executed more than 3 years after the  
 14 applicable attachment of the tax lien sale convey to the grantee absolute title to the property described in the deed  
 15 as of 3 years following the date of ~~sale of the property interest at~~ attachment of the tax lien sale.

16 (2) The conveyance includes:

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

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

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

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

25 (5) (a) Subject to subsection (5)(b), if any tax deed or deed purporting to be a tax deed is issued more  
 26 than 3 years and 30 days after the date of the ~~sale of the property interest at the applicable tax lien sale~~  
 27 attachment of the tax lien, the grantee may ~~publish in the official newspaper of the county, once a week for 2~~  
 28 ~~consecutive weeks, a~~ give notice entitled "Notice of Claim of a Tax Title" as provided in 7-1-2121. The notice  
 29 must:

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

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

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

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

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

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

13 (6) (a) Provided that the statutory requirements for a notice of intended issuance of a tax deed required  
14 by 15-18-212 have been complied with and if within the 30-day period the taxes, interest, penalties, and costs  
15 are not paid or a quiet title action is not brought, all defects in the tax proceedings and any right of redemption  
16 are considered waived. Except as provided in subsection (6)(b), after the 30-day period, the title to the property  
17 described in the notice and in the tax deed is valid and binding, irrespective of any irregularities, defects, or  
18 omissions in any of the provisions of the laws of Montana regarding the assessment, levying of taxes, or sale of  
19 property for taxes, whether or not the irregularities, defects, or omissions could void the proceedings.

20 (b) The proceedings in subsection (6)(a) are void if the taxes were not delinquent or have been paid."  
21

22 **Section 32.** Section 39-3-501, MCA, is amended to read:

23 **"39-3-501. Certain laws extended to certain employers in mineral and oil industry.** For the purposes  
24 of this part, all the provisions of part 2 of this chapter extend to and govern every person, firm, partnership, or  
25 corporation engaged in the business of extracting or of extracting and refining or reducing metals and minerals  
26 or mining for coal or drilling for oil, except persons, firms, partnerships, or corporations that have a free and  
27 unencumbered title to not less than one-half the fee of the property being worked. For this purpose, an  
28 outstanding unpaid or unredeemed tax lien sale certificate is not considered an encumbrance."  
29

30 **Section 33.** Section 85-7-2136, MCA, is amended to read:

1           **"85-7-2136. Collection of taxes or assessment.** (1) On or before the third Monday in August of each  
2 year, the board of commissioners shall furnish to the department of revenue a correct list of all the district lands  
3 in the county, together with the amount of the total taxes or assessments against the lands for district purposes.  
4 The department of revenue shall immediately upon receipt of the list enter the assessment roll in the property tax  
5 record of the county subject to taxation or assessment under 85-7-2104 for each year.

6           (2) The county treasurer of each county in which any irrigation district is located, in whole or in part, shall  
7 collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time  
8 as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The  
9 treasurer must receive from any taxpayer, at any time, the amount due on account of any district assessments  
10 of any kind, whether other taxes on the same real estate are paid or not.

11           (3) During the water delivery season, as determined by the irrigation district commissioners, the county  
12 treasurer shall make available to the board of commissioners of an irrigation district notice of the receipt of  
13 payments of district assessments by 9 a.m. on the day following receipt of those payments.

14           (4) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may  
15 receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of  
16 collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of  
17 commissioners of the district, and preparing district assessment notices.

18           (5) When any real estate on account of which the district taxes and assessments have been levied has  
19 been sold to the county and a tax lien ~~sale~~ certificate is held by the county, the taxpayer may pay to the treasurer  
20 at any time any semiannual installment of the district tax or assessment, together with the penalty and interest  
21 to date of payment on the installment. However, the payment may not be considered a redemption of the property  
22 from the tax lien ~~sale~~ but must be credited on account of any redemption that may be made. In case of any  
23 payment pursuant to this subsection, a separate tax receipt must be issued showing exactly what assessments  
24 have been paid and showing that no other tax on the real estate has been received by the treasurer. The county  
25 treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate situated  
26 wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation district  
27 has been levied unless the assessment levied for irrigation district purposes is either paid as permitted in this  
28 section and the receipt for the payment is presented to the county treasurer at the time the taxes are paid or paid  
29 at the time the irrigation district taxes are paid."  
30



1           **Section 34.** Section 85-7-2152, MCA, is amended to read:

2           **"85-7-2152. Proceeds of sale.** (1) Whenever any lot, tract, piece, or parcel of land included within and  
3 forming a part of any irrigation district created under the provisions of this chapter or included within any extension  
4 of the district is sold by the treasurer of the county where the land is situated in the manner provided by law for  
5 the sale of lands for delinquent taxes for state and county purposes and taxes or assessments of the irrigation  
6 district form all or a part of the taxes for which the lands are sold, the county treasurer making the sale or sales  
7 shall place to the credit of the proper funds of the irrigation district, out of the proceeds of the sale or sales, the  
8 total tax or assessment of the irrigation district, inclusive of the interest and penalty on the proceeds as provided  
9 for by the general laws relating to delinquent taxes for state and county purposes.

10           (2) ~~When any of the lands are struck off at the tax lien sale to the county where they are situated~~  
11 ~~pursuant to the provisions of 15-17-214~~ the county assigns a tax lien as provided in 15-17-323, the county  
12 treasurer of the county shall, upon the issuance of the ~~tax lien sale~~ assignment certificate to the ~~county assignee~~,  
13 issue to the irrigation district, in its corporate name, a debenture certificate for the amount of taxes and  
14 assessments due to the irrigation district from the lands and premises ~~that were sold~~ for which a tax lien was  
15 assigned, inclusive of the interest and penalty. The certificate is evidence of and conclusive of the interest and  
16 claim of the irrigation district in, to, against, and upon the lands and premises ~~that were struck off to~~ for which the  
17 county ~~at the tax lien sale~~ assigned the tax lien. After the issuance of the certificate, the sum named in the  
18 certificate and the taxes and assessments of the district evidenced by the certificate bear interest at the rate of  
19 1% a month from the date of the certificate until redeemed in the manner provided for by law for the redemption  
20 of the lands sold for delinquent state and county taxes or until paid from the proceeds of the sale of the lands and  
21 premises described in the certificate in the manner provided for by law. Duplicates of certificates issued to the  
22 irrigation district must be filed in the office of the county clerk and county treasurer of the county with the tax lien  
23 ~~sale~~ certificate of the lands and premises."  
24

25           **Section 35.** Section 85-7-2155, MCA, is amended to read:

26           **"85-7-2155. Sale by county commissioners when land not redeemed.** When ~~the~~ lands and premises  
27 ~~so sold for taxes~~ with attached tax liens and upon and against which the certificates have been issued for the  
28 taxes and assessments of the irrigation district are not redeemed within the time provided for by 15-18-111, the  
29 board of county commissioners of the county, within 3 months thereafter, shall cause these lands and premises  
30 to be sold as provided for by law, and out of the proceeds of the sale, the county treasurer of the county shall pay

1 to the holder or holders of the certificates the sum for which the same were issued, with interest as provided for  
 2 to the date of the sale of the lands by the board of county commissioners, and no lands and premises so held  
 3 by any county and against which the certificates provided for by this chapter have been issued may, upon such  
 4 sale, be struck off or sold for a less sum than the amount of taxes and assessments of the irrigation district  
 5 represented by the certificate, inclusive of the interest thereon, in addition to the state and county taxes, if any,  
 6 against the same."

7

8 **Section 36.** Section 85-7-2156, MCA, is amended to read:

9 **"85-7-2156. Proceedings where land struck off to county and in which county is possessor of tax**  
 10 **lien and lien is not redeemed.** ~~In case~~ If the county is the possessor of a tax lien on property so assessed for  
 11 irrigation district purposes ~~is struck off to the county, as provided for by law, and debenture certificates of~~ have  
 12 been issued for the taxes and assessments of ~~said~~ the irrigation district ~~issued thereon, as hereinbefore provided~~  
 13 ~~for~~ in 85-7-2152, and the ~~said lands and premises be not~~ tax lien has not been redeemed before the next annual  
 14 assessment for irrigation purposes ~~shall become~~ becomes delinquent thereon, ~~then and in that event, like,~~  
 15 debenture certificates for each year's irrigation district taxes and assessments ~~shall~~ must be issued against ~~said~~  
 16 ~~land~~ the property and ~~shall~~ must be included in and satisfied by any redemption thereof, with interest as  
 17 ~~hereinbefore provided for in 85-7-2152, and shall in like manner~~ must be paid from the proceeds of sale of ~~said~~  
 18 the lands by the board of county commissioners, ~~if the same be not redeemed as provided for by law."~~

19

20 **Section 37.** Section 85-7-2157, MCA, is amended to read:

21 **"85-7-2157. Purchase of lands by district -- revolving fund, credits, and expenditures.** (1) ~~At all~~  
 22 ~~sales of all lands for delinquent taxes when all or~~ When a tax lien is attached to property for which a portion of  
 23 the delinquent taxes are taxes and assessments levied and assessed by an irrigation district ~~against the lands~~  
 24 ~~to be sold, the commissioners of the irrigation district, if there is no other bidder for the land at the tax lien sale,~~  
 25 ~~may bid on the land~~ take an assignment of the tax lien for the total amount of all delinquent taxes and  
 26 assessments, penalty, and interest against the land. ~~If the commissioners are the only bidder, the~~ The county  
 27 treasurer ~~shall strike off the lands~~ assign the tax lien to the irrigation district and issue ~~tax lien sale certificates~~  
 28 an assignment certificate to the irrigation district the same as ~~tax lien sale~~ assignment certificates are issued to  
 29 other ~~purchasers~~ assignees. For the purpose of paying the taxes, assessments, interest, and penalties, the  
 30 commissioners of the irrigation district may create by resolution a revolving fund for the purchase of ~~tax lien sale~~

1 ~~certificates and title liens~~. The commissioners may provide funds for the revolving fund by levy, bond issue, or  
 2 otherwise. The district may pay the taxes, assessments, interest, and penalties by issuing a warrant to the county  
 3 treasurer against the revolving fund if there is sufficient money in the fund.

4 (2) When taxes are paid by the district as provided in this part, the county treasurer shall distribute that  
 5 portion of the tax belonging to the irrigation district to the several funds as designated in the tax levy and  
 6 assessment. However, if the board of commissioners of the irrigation district file with the county treasurer a  
 7 certified copy of the resolution passed by the commissioners requesting nondistribution by the county treasurer  
 8 of the portion of the tax belonging to the district, the county treasurer may not distribute that portion of the tax  
 9 belonging to the irrigation district to the several funds as designated in the tax levy and assessment, but the total  
 10 amount due the irrigation district must be credited by the treasurer to the revolving fund. If money is credited to  
 11 the revolving fund, at the time of the ~~sale~~ assignment by the district of the tax lien ~~sale certificate~~ or of the sale  
 12 of property obtained through the certificate, the funds that are realized from the sale must be deposited with the  
 13 county treasurer, together with the rentals received from the property, and the treasurer shall credit the proceeds  
 14 of the redemption sale or rental pro rata to the several funds of the district in accordance with the original levy  
 15 or assessment.

16 (3) At the time of redemption or of the ~~sale~~ assignment by the district of the tax lien ~~sale certificate~~ or sale  
 17 of the property obtained through the certificate, the funds that are realized must be deposited with the county  
 18 treasurer, together with rentals received from the property. The county treasurer shall credit the proceeds of the  
 19 redemption, sale, or rentals to the revolving fund to the extent required to reimburse the revolving fund in full. If  
 20 the sum realized permits, any excess must be credited to the several funds of the district in accordance with the  
 21 original levy and assessment. Expenditures may not be made from the revolving fund except as provided in this  
 22 section. The board of irrigation district commissioners may, by resolution, when the fund becomes inactive,  
 23 transfer the balance to a sinking fund to pay any indebtedness that had been incurred by the district by reason  
 24 of the creation of the revolving fund."

25

26 **Section 38.** Section 85-7-2158, MCA, is amended to read:

27 **"85-7-2158. Purchase of lands by district -- tax lien ~~sale certificates~~ assignments and payment.**

28 (1) Any irrigation district may:

29 (a) ~~purchase the tax lien sale certificate issued to any county for lands sold at a tax lien sale against~~  
 30 ~~which any of its taxes and assessments are delinquent~~ take an assignment of a tax lien; or

1 (b) if a deed has issued to the county, purchase the lands from the county by paying all state, county,  
 2 city, school district, and other delinquent taxes, together with penalty, interest, and costs of publication and sale  
 3 to the county treasurer of the county making the sale.

4 (2) The payment must be made by the commissioners of the district by issuing and delivering to the  
 5 county treasurer a warrant drawn against the revolving fund of the district if there is sufficient money in the fund  
 6 to pay the warrant in full upon demand. The county treasurer shall then assign the tax lien ~~sale certificate~~ to the  
 7 irrigation district, or the commissioners of the county shall convey the lands to the district if the tax deed was  
 8 issued to the county."

9

10 **Section 39.** Section 85-7-2159, MCA, is amended to read:

11 **"85-7-2159. Issuance of tax deed.** If there has been no redemption of ~~lands sold at a tax lien sale to~~  
 12 ~~an irrigation district or by any other person or no redemption of lands struck off to the county for which a tax lien~~  
 13 ~~sale certificate~~ tax liens has been assigned to an irrigation district or any other person as provided by law for the  
 14 ~~redemption of lands from tax lien sales~~ and notice has been given as required in 15-18-212, the county treasurer  
 15 of the county within which the lands are situated shall issue a tax deed for the lands to the irrigation district or any  
 16 other holder of a ~~tax lien sale~~ an assignment certificate."

17

18 **Section 40.** Section 85-7-2162, MCA, is amended to read:

19 **"85-7-2162. Powers of district commissioners to acquire and manage tax lien sale lands.** (1) In  
 20 addition to the powers of irrigation districts, the commissioners of every irrigation district established and  
 21 organized under and by virtue of the laws of the state may:

22 (a) purchase lands within their respective districts that had been sold and conveyed to the county for  
 23 nonpayment of taxes and assessments, ~~purchase tax lien sale certificates of the land when struck off to the~~  
 24 ~~county~~ take assignments of tax liens, and take title to the land for their district;

25 (b) own, manage, operate, lease, sell, and dispose of the land for the use and benefit of their respective  
 26 districts;

27 (c) sue and be sued in reference to the lands in the name of their respective irrigation districts and  
 28 commence, maintain, and prosecute suits to quiet title to the lands and any other suits in equity or actions at law  
 29 with reference to the lands, the same as any other individual or corporate owners of the lands; and

30 (d) do any other acts or things necessary or beneficial for their respective districts in connection with the

1 lands.

2 (2) The lands must be offered for sale at public sale, and the commissioners may reject any bids on the  
3 land if, in their judgment, the bids are insufficient. The lands may not be sold at private sale at a price less than  
4 the highest bid made at the public sale at which the lands were offered for sale. If a bid is not received for the land  
5 when the land is offered at public sale, the commissioners may then sell the land in the manner, at the price, and  
6 upon the terms that they choose.

7 (3) The board of commissioners of any irrigation district may do what is necessary to carry out the  
8 provisions and intentions of 85-7-2157 through 85-7-2164."  
9

10 **Section 41.** Section 85-7-2163, MCA, is amended to read:

11 **"85-7-2163. Granting of tax deed.** The holder of the ~~tax lien sale~~ assignment certificate must be granted  
12 a tax deed by the county treasurer in the manner and form provided by Title 15, chapter 18."  
13

14 **Section 42.** Section 85-8-601, MCA, is amended to read:

15 **"85-8-601. Certification and collection of district taxes.** (1) Subject to 15-10-420 and on or before  
16 the third Monday in August of each year, the commissioners shall certify to the department of revenue a correct  
17 list of all the district lands in each county and the owners of the lands, together with a statement of the amount  
18 of the total tax or assessment against the lands for district purposes for that year. The department of revenue  
19 shall immediately enter the assessment roll in the property tax record of the county for each year.

20 (2) The county treasurer of each county in which a drainage district is located, in whole or in part, shall  
21 collect and receipt for all taxes and assessments levied by the district in the same manner and at the same time  
22 as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. However,  
23 the treasurer must receive from any taxpayer, at any time, the amount due on account of any district assessments  
24 of any kind, whether other taxes on the same real estate are paid or not. When a county is the possessor of a  
25 tax lien for any real estate on account of which the district taxes and assessments have been levied ~~has been~~  
26 ~~sold to the county and the tax lien sale certificate is held by the county~~, the taxpayer may pay to the treasurer at  
27 any time any semiannual installment of the district tax or assessment, together with the penalty and interest to  
28 date of payment on the installment. However, the payment may not be considered a redemption of the property  
29 from the tax lien ~~sale~~, but must be credited on account of any redemption that may later be made. In case of any  
30 payment pursuant to this subsection, a separate tax receipt must be issued showing exactly what assessments

1 have been paid and showing that no other tax on the real estate has been received by the treasurer. However,  
2 the county treasurer may not collect, receive, or receipt for any taxes levied for county purposes upon real estate  
3 situated wholly or in part within any drainage district upon which an assessment for the purposes of the drainage  
4 district has been levied unless the assessment levied for the drainage district purposes is either paid as provided  
5 in this section and the receipt is presented to the county treasurer at the time the real estate taxes are paid or  
6 paid at the time the drainage district taxes are paid."

7  
8 **NEW SECTION. Section 43. Repealer.** The following sections of the Montana Code Annotated are  
9 repealed:

- 10 15-16-305. Disposition of delinquent list.  
11 15-17-211. Conduct of tax lien sale.  
12 15-17-213. Treasurer to record tax lien sales.  
13 15-17-214. County as purchaser -- assignment.  
14 15-17-321. Resale for nonpayment.

15  
16 **NEW SECTION. Section 44. Directions to code commissioner.** The code commissioner is instructed  
17 to renumber 15-17-212 into a new section in Title 15, chapter 17, part 1.

18  
19 **NEW SECTION. Section 45. Effective date.** [This act] is effective on passage and approval.

20  
21 **NEW SECTION. Section 46. Applicability.** (1) [This act] applies to tax delinquencies that begin on or  
22 after [the effective date of this act].

23 (2) [Sections 2, 18, and 20] apply retroactively, within the meaning of 1-2-109, to any tax lien begun or  
24 issued prior to [the effective date of this act].

25 - END -