

HOUSE BILL NO. 516

INTRODUCED BY K. DUDIK, D. ANKNEY, T. JACOBSON, T. RICHMOND, B. TSCHIDA, A. HERTZ

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR A CIVIL ACTION TO COLLECT DELINQUENT PROPERTY TAXES; SPECIFYING WHO CAN BRING THE ACTION AND FOR WHICH PROPERTY CLASSES AN ACTION MAY BE BROUGHT; ALLOWING FOR THE AWARDING OF ATTORNEY FEES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Civil action to collect delinquent taxes. (1) A taxing jurisdiction may bring a civil action to collect delinquent property taxes OF \$250,000 OR MORE owed to the taxing jurisdiction for property other than class three agricultural property, class four residential property, or class ten forest land ALL TAXING JURISDICTIONS.

~~(2) The property must be:~~

~~—— (a) eligible to be included on the list of property on which the taxes are delinquent and that could be offered for tax lien sale as provided for in 15-17-122, whether or not the property is actually included on the list;~~

~~or~~

~~—— (b) property for which the county is considered to be the purchaser of a tax lien as provided in 15-17-214.~~

(2) A CIVIL ACTION MAY BE BROUGHT AS PROVIDED IN THIS SECTION FOR PROPERTY THAT WAS OFFERED FOR TAX LIEN SALE PURSUANT TO 15-17-211 AND FOR WHICH THE TAX LIEN FAILED TO SELL IN AT LEAST THREE SUCCESSIVE SALES.

(3) The taxing jurisdiction shall bring the civil action in the district court of the county in which the property is located.

(4) ~~(a) Except as provided in subsection (4)(b), reasonable attorney fees must be awarded to a taxing jurisdiction that prevails~~ REASONABLE ATTORNEY FEES MUST BE AWARDED TO THE PREVAILING PARTY in an action brought pursuant to this section.

~~(b) If the court finds that the taxpayer purposely and knowingly failed to pay the delinquent taxes, the taxing jurisdiction that brought the action may be awarded attorney fees up to three times the actual costs.~~

(5) IF THE TAXING JURISDICTION PREVAILS IN THE CIVIL ACTION PROVIDED FOR IN THIS SECTION, THE TAXPAYER



1 SHALL PAY INTEREST AND PENALTIES AS PROVIDED IN 15-16-101(1)(B). THE INTEREST AND PENALTIES MUST BE
2 DISTRIBUTED TO THE FUNDS TO WHICH THE TAXES ARE DISTRIBUTED IN THE SAME PROPORTION AS THE TAXES ARE
3 DISTRIBUTED.

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5 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
6 integral part of Title 15, chapter 16, part 5, and the provisions of Title 15, chapter 16, part 5, apply to [section 1].

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8 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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10 NEW SECTION. Section 4. Applicability. [This act] applies to property taxes that are delinquent on
11 or after [the effective date of this act].

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