

HOUSE BILL NO. 515

INTRODUCED BY J. CARLSON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROPERTY TAX PAYMENTS; ALLOWING THE PAYMENT OF DELINQUENT PROPERTY TAXES WHEN CURRENT YEAR TAXES HAVE NOT BEEN PAID; ALLOWING PARTIAL PROPERTY TAX PAYMENTS; AMENDING SECTIONS 7-12-4188, 15-16-101, 15-16-102, 15-16-103, AND 15-18-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 7-12-4188, MCA, is amended to read:

"7-12-4188. Due date for district assessments. (1) All special assessments or installments of special assessments in cities and towns, duly and regularly levied by resolution according to law, shall be payable in installments as follows:

- (a) one-half of the payment on or before 5 p.m. on November 30 of each year; and
(b) one-half of the payment on or before 5 p.m. on May 31 of the following year.

(2) In the event the same are not paid on or before said dates, the same shall be subject to the same interest and penalties for nonpayment as delinquent property taxes under 15-16-102."

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

1 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the
2 rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes
3 as a penalty; and

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

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

8 (i) the taxable value of the property;

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

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

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

12 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state
13 tax, school district tax, and other tax;

14 (vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill
15 levy, to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit
16 provided for in 15-10-420; and

17 (vii) a notice of the availability of all the property tax assistance programs available to property
18 taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax
19 assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly
20 under 15-30-2337 through 15-30-2341.

21 (b) If a tax lien is attached to the property, the notice must also include, in a manner calculated to
22 draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss of
23 property, and that the 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
25 included under subsection (2)(a)(iii) ready for mailing.

26 (4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post
27 notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the
28 current year or of delinquent tax will not affect the legality of the tax.

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

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

5 **"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or cancelled under
6 the provisions of 10-1-606, 15-23-708, or Title 15, chapter 24, part 17, all taxes levied and assessed in the state
7 of Montana, except assessments made for special improvements in cities and towns payable under 15-16-103,
8 are payable as follows:

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

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

16 (3) All taxes due and not paid on or before ~~5 p.m.~~ on May 31 of each year are delinquent and draw
17 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
18 delinquent taxes as a penalty.

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

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

25 (5) (a) ~~A taxpayer may pay current year taxes without paying delinquent taxes.~~ The county
26 treasurer shall accept a partial payment ~~equal to the delinquent taxes, including penalty and interest, for one or~~
27 ~~more full tax years if taxes currently due for the current tax year have been paid~~ for current year taxes or
28 delinquent taxes. A partial payment may not be less than the greater of \$25 or 10% of the total amount of tax

1 billed for the tax year to which the partial payment is applied plus penalty and interest. A partial payment must
 2 be credited to the tax year for which the payment is made, and penalty and interest must be computed only on
 3 the tax remaining unpaid. Payment of taxes for delinquent taxes must be applied to the taxes that have been
 4 delinquent the longest oldest unpaid taxes due, by tax year and due date. The payment of taxes for the current
 5 tax year is not a redemption of the property tax lien for any delinquent tax year.

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

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

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

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

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15 **Section 4.** Section 15-16-103, MCA, is amended to read:

16 **"15-16-103. Special improvement districts with annual interest payments -- collection of**
 17 **special assessments for all special improvements.** (1) Special assessments or installments of special
 18 assessments made for special improvements in towns and cities, the bonds for which annual interest payments
 19 have been specified and that were issued after July 1, 1981, and that have been duly and regularly made and
 20 levied by resolution according to law, shall be payable as follows:

21 (a) One-half of the taxes are payable on or before ~~5 p.m. on~~ November 30 of each year. If the
 22 taxes are not paid on or before that date, they are subject to the same interest and penalty for nonpayment as
 23 delinquent property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city
 24 council, as provided in 15-16-102(6).

25 (b) One-half of the taxes are payable on or before ~~5 p.m. on~~ May 31 of each year. If the taxes are
 26 not paid on or before that date, they are subject to the same interest and penalty for nonpayment as delinquent
 27 property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city council, as
 28 provided in 15-16-102(6).

1 (2) The collection of special assessments or installments of special assessments made for special
2 improvements in towns and cities are as provided by 7-12-4181."

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4 **Section 5.** Section 15-18-112, MCA, is amended to read:

5 **"15-18-112. Redemption from property tax lien -- lien on interest in property for taxes paid.** (1)

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

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

12 (2) ~~Upon~~On redemption of the property tax lien that has been assigned, the redemptioner shall
13 pay, in addition to the amount of the property tax lien, including penalties, interest, fees, and costs, the
14 subsequent taxes assessed and paid by the assignee as provided in subsection (1)(a), with interest and penalty
15 at the rate established for delinquent taxes in 15-16-102.

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

19 (4) The property tax lien may also be redeemed for a particular tax year as provided in 15-16-
20 102(5) if:

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

22 (b) the property taxes, penalties, interest, and fees for the tax year are paid in full; and

23 ~~(b)(c)~~ the tax deed has not been issued pursuant to 15-18-211 or 15-18-220."
24

25 NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval.
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27 NEW SECTION. Section 7. Applicability. [This act] applies to property tax payments made on or
28 after October 1, 2023.

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