

HOUSE BILL NO. 830

INTRODUCED BY G. NIKOLAKAKOS, L. JONES, M. HOPKINS, J. KARLEN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN ALTERNATIVE PAYMENT SCHEDULE FOR PROPERTY TAXES; PROVIDING THAT OWNERS OF PRIMARY RESIDENCES MAY ENTER INTO AN AGREEMENT TO PAY PROPERTY TAXES IN SEVEN EQUAL PAYMENTS; PROVIDING APPLICATION DEADLINES; PROVIDING A DEFINITION; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 15-16-102 AND 15-16-103, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Alternative payment schedule for primary residences. (1) At the request of the owner of a primary residence, a county treasurer shall enter into a written agreement with the owner for the payment of current property taxes on an alternative payment schedule of seven payments as provided in 15-16-102(2)(b) and this section.

(2) To pay property taxes on the alternative payment schedule, the owner of a primary residence shall apply on forms provided by the county treasurer. The application must include a sworn statement, under penalty of false swearing provided for in 45-7-202, that the property is a primary residence.

(3) Application must be made by September 30 for enrollment in the current year. When enrolled in the alternative payment schedule, the owner remains enrolled until the owner provides a written request to terminate the alternative payment schedule. Requests to terminate the alternative payment schedule must be made before September 30 to apply to the current year. Termination requests made after September 30 will apply to payments for the next tax year.

(4) A county treasurer may require enrollment in an automated payment program as a condition of enrollment in the alternative payment schedule.

(5) A property owner enrolled in the alternative payment schedule may pay taxes before the due dates provided for in 15-16-102(2)(b). THE COUNTY TREASURER MAY NOT ACCEPT A PAYMENT UNDER THE ALTERNATIVE PAYMENT SCHEDULE FROM A THIRD-PARTY ESCROW SERVICE, LENDER, OR MORTGAGE COMPANY.

(6) As provided in this section, the following definition applies:

(a) "Primary residence" means a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home and the surrounding land classified as class four residential property that was owned and occupied by the taxpayer for at least 7 months of the year.

(b) The term does not include a dwelling that is not on a permanent foundation and that is classified by the department of revenue as personal property.

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

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

(1)(2) (a) — One-half Except as provided in subsection (2)(b), one-half of the taxes are payable on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half are payable on or before 5 p.m. on May 31 of each year.

(b) For a taxpayer enrolled in the alternative payment schedule for primary residences provided for in [section 1], one-seventh of the taxes must be paid on or before 5 p.m. on the last day of each month beginning on November 30 and ending on May 31 provided that the full amount of the taxes payable is made by 5 p.m. on May 31 of each year. The seven monthly payments must be AS NEARLY equal AS POSSIBLE and are due on November 30, December 31, January 31, February 28, March 31, April 30, and May 31.

(2)(3) (a) (i) Unless Except as provided in subsection (3)(a)(ii), unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws 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 delinquent taxes as a penalty.

(ii) For a taxpayer enrolled in the alternative payment schedule for primary residences provided for in [section 1], unless one-seventh of the taxes are paid on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, AND THE REMAINING TAX PAYMENTS ARE PAID ON OR BEFORE THE ALTERNATIVE PAYMENT SCHEDULE DUE DATES PROVIDED FOR IN SUBSECTION (2)(B), the amount

payable is delinquent and draws interest and penalty as provided in subsection (3)(a)(i).

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

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

(b) If Except for a taxpayer enrolled in the alternative payment schedule for primary residences provided for in [section 1], if taxes on property qualifying under the property tax assistance program provided for in 15-6-305 are paid within 20 calendar days of the date on which the taxes are due, the taxes may be paid without penalty or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must be paid and interest accrues from the date on which the taxes were due.

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

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

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

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

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

Section 3. Section 15-16-103, MCA, is amended to read:

"15-16-103. Special improvement districts with annual interest payments -- collection of special assessments for all special improvements. (1) Special assessments or installments of special

assessments made for special improvements in towns and cities, the bonds for which annual interest payments have been specified ~~and that were issued after July 1, 1981~~, and that have been duly and regularly made and levied by resolution according to law, ~~shall be~~ are payable as follows: provided in this section.

~~(a)(2)~~ (a) One-half Except as provided in subsection (2)(b), one-half of the taxes are payable on or before 5 p.m. on November 30 of each year and one-half of the taxes are payable on or before 5 p.m. on May 31 of each year.

(b) For a taxpayer enrolled in the alternative payment schedule for primary residences provided for in [section 1], one-seventh of the taxes must be paid on or before 5 p.m. on the last day of each month beginning on November 30 and ending on May 31 provided that the full amount of the taxes payable is made by 5 p.m. on May 31 of each year. The seven monthly payments must be AS NEARLY equal AS POSSIBLE and are due on November 30, December 31, January 31, February 28, March 31, April 30, and May 31.

(3) (a) (i) Except as provided in subsection (3)(a)(ii), If if the taxes are not paid on or before ~~that date~~ 5 p.m. on November 30, they are subject to the same interest and penalty for nonpayment as delinquent property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city council, as provided in 15-16-102(6).

(ii) For a taxpayer enrolled in the alternative payment schedule for primary residences provided for in [section 1], unless one-seventh of the taxes are paid on or before 5 p.m. on November 30 of each year, AND THE REMAINING TAX PAYMENTS ARE PAID ON OR BEFORE THE ALTERNATIVE PAYMENT SCHEDULE DUE DATES PROVIDED FOR IN SUBSECTION (2)(B), the amount payable is delinquent and draws interest and penalty as provided in subsection (3)(a)(i).

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

~~(2)(4)~~ The collection of special assessments or installments of special assessments made for special improvements in towns and cities are as provided by 7-12-4181."

NEW SECTION. Section 4. Appropriation. There is appropriated \$35,000 from the general fund to

1 the department of administration for the biennium beginning July 1, 2023, to purchase software upgrades and
2 e-check systems for counties to implement the alternative payment schedule for primary residences.

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

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7 NEW SECTION. **Section 6. Applicability.** [This act] applies to property tax payments due on or after
8 November 30, 2024.

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