

1 SENATE BILL NO. 507

2 INTRODUCED BY D. ZOLNIKOV

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX LAWS; REVISING TAX  
5 PROCEDURE LAWS; REVISING VARIOUS PROCEDURES OF THE COUNTY TAX APPEAL BOARD AND  
6 THE MONTANA TAX APPEAL BOARD; ~~ELIMINATING A PROPERTY TAX EXEMPTION FOR CERTAIN~~  
7 ~~ENTITIES THAT USE EXEMPT PROPERTY TO PRODUCE UNRELATED BUSINESS TAXABLE INCOME;~~  
8 REQUIRING A FORMER EMPLOYEE OF THE DEPARTMENT OF REVENUE TO WAIT A PERIOD OF TIME  
9 BEFORE APPOINTMENT TO A COUNTY TAX APPEAL BOARD; REVISING PROPERTY TAX PAYMENTS  
10 TO ALLOW DELINQUENT PROPERTY TAXES TO BE PAID WITHOUT PAYING CURRENT YEAR TAXES;  
11 AMENDING SECTIONS 15-1-222, 15-2-201, 15-2-301, 15-2-302, 15-2-303, ~~15-6-201~~, 15-7-102, 15-7-105, 15-  
12 7-106, 15-15-101, ~~AND 15-15-103~~, AND 15-16-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
13 DATES DATE AND AN APPLICABILITY DATES DATE."

14

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

16

17 **Section 1.** Section 15-1-222, MCA, is amended to read:

18 **"15-1-222. (Temporary) Taxpayer bill of rights.** The department of revenue shall in the course of  
19 performing its duties in the administration and collection of the state's taxes ensure that:

20 (1) the taxpayer has the right to record any interview, meeting, or conference with auditors or any  
21 other representatives of the department;

22 (2) the taxpayer has the right to hire a representative of the taxpayer's choice to represent the  
23 taxpayer's interests before the department ~~or any tax appeal board~~, a county tax appeal board, or the Montana  
24 tax appeal board. The representative is not considered to be practicing law pursuant to 37-61-201 and is not  
25 required to be an attorney or a certified public accountant. The taxpayer has a right to obtain a representative at  
26 any time, except that the selection of a representative may not be used to unreasonably delay a field audit that  
27 is in progress. The representative must have written authorization from the taxpayer to receive from the  
28 department confidential information concerning the taxpayer. The department shall provide copies to the

1 the proceedings, including the electronic recording of all testimony and the deliberation of the county tax appeal  
 2 board, must be forwarded, together with all exhibits, to the Montana board. The date of the hearing, the  
 3 proceedings before the county board, and the decision must be entered upon the minutes of the county board,  
 4 and the county board shall notify the applicant of its decision by mail within 3 days. A copy of the minutes of the  
 5 county board must be transmitted to the Montana board no later than 3 days after the county board holds its  
 6 final hearing of the year.

7 (2) (a) Except as provided in 15-15-201, if a county board refuses or fails to hear a taxpayer's  
 8 timely application for a reduction in valuation of property, the taxpayer's application is considered to be granted  
 9 on the day following the county board's final meeting for that year. The department shall enter the appraisal or  
 10 classification sought in the application in the property tax record. An application is not automatically granted for  
 11 the following appeals:

12 (i) those listed in 15-2-302(1); and

13 (ii) if a taxpayer's appeal from the department's determination of classification or appraisal made  
 14 pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the county  
 15 board during its current session.

16 (b) The county board shall provide written notification of each application that was automatically  
 17 granted pursuant to subsection (2)(a) to the department, the Montana board, and any affected municipal  
 18 corporation. The notice must include the name of the taxpayer and a description of the subject property.

19 (3) The county tax appeal board shall consider an independent appraisal provided by the taxpayer  
 20 if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was  
 21 conducted within 6 months of the valuation date. If the county tax appeal board does not use the appraisal  
 22 provided by the taxpayer in conducting the appeal, the county board shall provide to the taxpayer the reason for  
 23 not using the appraisal."  
 24

25 **Section 11.** Section 15-16-102, MCA, is amended to read:

26 **"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or cancelled under  
 27 the provisions of 10-1-606, 15-23-708, or Title 15, chapter 24, part 17, all taxes levied and assessed in the state  
 28 of Montana, except assessments made for special improvements in cities and towns payable under 15-16-103,

1 are payable as follows:

2 (1) One-half of the taxes are payable on or before 5 p.m. on November 30 of each year or within  
3 30 days after the tax notice is postmarked, whichever is later, and one-half are payable on or before 5 p.m. on  
4 May 31 of each year.

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

9 (3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw  
10 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  
11 delinquent taxes as a penalty.

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

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

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

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

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

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

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

4 NEW SECTION. Section 12. Saving clause. [This act] does not affect rights and duties that  
5 matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].  
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7 NEW SECTION. Section 13. Severability. If a part of [this act] is invalid, all valid parts that are  
8 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
9 the part remains in effect in all valid applications that are severable from the invalid applications.  
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11 NEW SECTION. Section 14. Effective dates DATE. ~~(1) Except as provided in subsection (2), [this~~  
12 ~~act] [THIS ACT] is effective on passage and approval.~~

13 ~~(2) [Section 6] is effective January 1, 2024.~~  
14

15 NEW SECTION. Section 15. Applicability. ~~(1) Except as provided in subsection (2), [this act] [THIS~~  
16 ~~ACT] applies to county tax appeal board and Montana tax appeal board proceedings filed after [the effective~~  
17 ~~date of this act].~~

18 ~~(2) [Section 6] applies to property tax years beginning after December 31, 2023.~~  
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