

Montana Legal Services Association

10 Things Montanans Should Know About Property Taxes



Providing, protecting, and enhancing access to justice.

Rev. 03/21/22



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Summary

This article will help you understand:

- What happens if you fall behind on property taxes,
- How long you have to pay your tax debt before you could lose your property,
- What you can do to avoid losing your property, and
- Important legal terms related to property taxes.

If you own land in Montana, you must pay property taxes on that land. The amount of taxes you pay depends on the value of the land and anything attached to it like houses, garages and other structures, concrete driveways and sidewalks. You must pay the taxes when they are due each May and November. You have 3 years after a tax lien is placed on your property to pay all past due taxes, plus interest, penalties, and other costs, before you could lose your property through a public auction. Most County Treasurers don't accept partial payments. You must pay your current taxes before payments can be applied to past due taxes. There are programs to help eligible residents reduce their property tax rate and you can ask for a review of your property appraisal if you think it's too high. Your taxes are used to pay for local services like schools, fire protection, law enforcement, courts, streets and roads, libraries, parks, public health, and social services.

Important: You can find the law about property taxes in Title 15, Chapters 16 - 18 of the Montana Code Annotated (MCA). You can read the [MCA for free online](#). This article

sometimes refers to specific laws. An example is § 15-16-101. The “§” symbol means section.

10 Things Montanans Should Know about Property Taxes

If you're worried about paying your property taxes, the best thing you can do is be proactive. The information and resources in this article can help you be proactive about your property taxes.

1. Mobile homes are not real property; mobile homes are personal property. The laws are different for mobile homes. If you have questions about a mobile home, go to our [Mobile Home FAQ](#).
2. Property taxes are paid in two equal parts. The first part of property taxes must be paid by 5 p.m. on November 30th. The second part must be paid by 5 p.m. on May 31st of the next year. If you fail to pay by these dates, you have delinquent taxes.
3. It's up to you to provide your mailing address to the County Treasurer in the county where the land is located, and to the Montana Department of Revenue. If they don't have a good mailing address for you, then you won't receive the letters about taxes due. If you don't pay the taxes, you could lose your land.
4. Treasurers usually do not accept partial payments. You must pay the full amount due in November and the full amount due in May. You may pay the full amount for the whole year in November. If you do not pay the amount due in November or May, the amount is considered delinquent and a monthly interest rate of 5/6 of 1% and a 2% penalty will be added to the amount due. Read the law for yourself at [MCA § 15-16-102](#).

5. In June of each year, the County Treasurer makes a list of properties with delinquent taxes. You can find this list at the county treasurer's office. A notice is also published in the newspaper. This is called a "Notice of Pending Attachment of a Tax Lien." The notice also includes a date when the County's tax lien will "attach" or be finalized for each piece of real property. (The word "lien" generally means a legal document that states an interest in or right to the real property or related to the property. When a lien is attached it affects your ownership rights. The lien must be paid to be removed.) After the date the lien attached, the County's lien may be assigned, or sold, to a third party. The third party could be a person or business who knows about the lien.
6. Each county must follow Montana tax law, but each county's practices may vary. Check the County Treasurer's website for the county your land is located on for that office's contact information.
7. If you pay your property taxes by mail or electronically, you will not receive a receipt unless you ask for one.
8. Property taxes are specific to a particular year. If your taxes are delinquent and the county files a tax lien for that year, you must still pay your property taxes each year afterward. Once the current amount due has been paid, payments can be applied to the oldest delinquent taxes by year. Partial payment toward the delinquent taxes will not cancel the County's lien on the property. There is more information below about what happens when the county attaches a lien on a property.

9. There are property tax assistance program for eligible residents. There are programs for:
- Low-income Montanans. Learn more about the [Property Tax Assistance Program \(PTAP\)](#).
 - Disabled veterans or their surviving spouse. Learn more about the [Montana Disabled Veteran Assistance Program \(MDV\)](#).
 - Property owners whose land is much higher than the value of their home, and the home has been in the family for at least 30 years. Learn more about the [Land Value Property Tax Assistance Program](#).
 - It's OK to reach out for help if you're having trouble paying all your bills. You can [apply for food, medical, or cash assistance](#). As a taxpayer, you've already paid into these programs.
 - You can also contact a [HUD-approved financial counselor](#) certified by the U.S. Department of Housing and Urban Development.
 - Montana Legal Services Association provides free legal help to eligible clients with income tax disputes, debt collection and bankruptcy, and other matters that affect your safety and financial stability. Learn more about [how to apply for free legal help from MLSA](#).
10. If you don't agree with the value your property is appraised at, you can ask for an Informal Review by the Department of Revenue. You can also appeal the value directly with your local County Tax Appeal Board (CTAB). Learn more about [Property Appraisal Notices, Informal Reviews, and Appeals](#). Read the [Taxpayer Bill of Rights](#).

What Happens If I Don't Pay My Property Taxes?

There is more than one way for a county to collect delinquent property taxes. This article only talks about a county placing a lien on the property. The amount of delinquent property tax becomes a "tax lien" on the property. A tax lien gives the county a right to collect the amount of delinquent taxes due plus interest and penalties. The county can't release its tax lien until the taxes, interest, and penalties are paid in full. A tax lien is not the same as a lien held by your mortgage company. It is also different from a lien based on a court order which is called a "**Judgment Lien.**"

These are the steps for what happens next when there is a tax lien on your property:

1. The tax lien may stay with the county, or someone might buy the tax lien from the county. The person who buys the tax lien must send a notice to the property owner before buying the tax lien. When someone buys the tax lien, they pay the delinquent taxes, interest, and penalties. The county gives the person who buys the tax lien an **Assignment Certificate**. This certificate assigns to the buyer the county's interest in the property.
2. Property ownership and all associated rights (including possession) to the land remain with the landowner until three (3) years after the date the County's tax lien attached, as noted on the tax lien certificate (see definitions below). In other words, a landowner has three years from the date of the tax lien to "redeem" the tax lien. You can redeem the tax lien by paying the amount due to the county or the person who bought the lien from the county.

3. If you don't pay off the tax lien within 3 years following the attachment of the lien, you will lose all rights to the property. During those 3 years, you must still pay the taxes when they come due each year.
4. If you don't redeem the tax lien within the 3 year period, then the person who bought the tax lien can take steps to convert the tax lien into a "**Tax Deed.**" That person's application triggers the scheduling of a public auction for the real property. The bids must start at the total of all related amounts, including delinquent taxes, penalties, interest, costs, amounts paid by the person holding the tax lien, and a portion of the appraisal amount. Read the law for yourself at [MCA § 15-18-220](#).
5. A court can be asked to "**Quiet Title**" to real property to resolve issues of ownership and rights. Read the law for yourself at [MCA § 15-18-411 through - 413](#). You will most likely need a lawyer to help you with a quiet title issue.

Legal Property Tax Terms

Tax Lien: This is when the County asserts a legal interest in land, because the property taxes haven't been paid. This tax lien attaches at the beginning of August following failure to pay taxes for the previous year.

Tax Lien Certificate: A county treasurer produces this document with the following:

- Property description;
- Property owner;
- Date when a property tax lien was attached to the property;
- Delinquent taxes, penalties, interests, and costs owed; and,

- Date when the county or an assignee (a third party buying the tax lien) will be entitled to a tax deed. Read the law for yourself at [MCA § 15-17-125](#).

Assignment Certificate: After a third party buys the tax lien, the county treasurer sends this certificate to the third party buyer. This certificate assigns to the buyer the county's interest in the property. The county treasurer must send the landowner a copy of this certificate, and must inform the landowner to contact their office for further information. Read the law for yourself at [MCA § 15-17-323](#).

Redemption Certificate: A county treasurer produces this document when all taxes plus interest, penalty, and costs are paid to the county within the 3 years following the attachment of a tax lien. If the original landowner is the one who redeems the property, then the certificate will be in the name of the landowner.

Tax Deed: This is the deed granted to a person or company who holds an assigned tax lien (and thus has paid all amounts due after the 3 year redemption period). The tax deed is issued to the third party buyer after:

- Payment of amounts due,
- Passage of 3 years after the August when the tax lien attached,
- Application for a tax deed, and
- A public auction.

This deed transfers ownership rights to the property.

Note: This article doesn't cover all situations or laws. For example, some procedures are different if the property at issue is residential or not, whether the county holds the tax lien, and whether there is a dwelling on the property. Be sure to talk to a lawyer if you have specific questions.

Take Action

Property Tax Assistance Programs

- Low-income Montanans. Learn more about the [Property Tax Assistance Program \(PTAP\)](#).
- Disabled veterans or their surviving spouse. Learn more about the [Montana Disabled Veteran Assistance Program \(MDV\)](#).
- Property owners whose land is much higher than the value of their home, and the home has been in the family for at least 30 years. Learn more about the [Land Value Property Tax Assistance Program](#).

Property Value Appraisals

- If you don't agree with the value your property is appraised at, you can ask for an Informal Review by the Department of Revenue. You can also appeal the value directly with your local County Tax Appeal Board (CTAB). Learn more about [Property Appraisal Notices, Informal Reviews, and Appeals](#). Read the [Taxpayer Bill of Rights](#).

Financial Help

- It's OK to reach out for help if you're having trouble paying all your bills. You can [apply for food, medical, or cash assistance](#). As a taxpayer, you've already paid into these programs.
- You can also contact a [HUD-approved financial counselor](#) certified by the U.S. Department of Housing and Urban Development.

Legal Help

- Montana Legal Services Association provides free legal help to eligible clients with income tax disputes, debt collection and bankruptcy, and other matters that affect your safety and financial stability. Learn more about [how to apply for free legal help from MLSA](#).

This program is supported by a subaward from Equal Justice Works as part of an original award from the U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime, Award Number 2019-V3-GX-K033. The opinions, findings, conclusions, or recommendations expressed are those of the author(s) and do not necessarily represent the official position or policies of the U.S. Department of Justice or Equal Justice Works.