

MONTANA STATE SENATE

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Senate Judiciary Committee Passes Bipartisan Legislation to Correct System that Unfairly Evicts Montanans from Their Homes

Helena, MT — On Monday, the Senate Judiciary Committee considered a bipartisan bill that would protect homeowners from losing their homes to investors who pay a fraction of the home's worth to possess a home when a homeowner falls behind on property taxes.

Current Montana law allows investors to buy the deed to a home at significantly below market price if a homeowner fails to pay property taxes over a certain amount of time. Under this system, homeowners are evicted, receive nothing for their property and are often left with significant debt. This practice disproportionately affects low-income and elderly Montanans; it also could be challenged as unconstitutional.

SB 253, a bipartisan bill sponsored by Sen. Cary Smith (SD 27-Billings) and co-sponsored by Sen. Tom Jacobson (SD 11-Great Falls) would fix the current system. Most significantly, this bill would ensure that Montanans who fall behind on their taxes do not lose the value of their home. For many Montanans, home equity is their most significant nest-egg. This legislation also prohibits counties from selling tax liens on properties for delinquent taxes, unless the amount due is over \$1000. Currently, Montanans can be kicked out of their homes for tax debts of any amount.

The bill protects property owners by amending current Montana statute to allow for a two-step auction process to sell tax delinquent property. The first step is a tax lien auction where the county treasurer recovers tax debt from investors who win the auction by providing the lowest interest rate to the property owner. The second step occurs after three years when the tax lien holder may ask the county to auction off the property to the highest bidder.

Sen. Jacobson has worked on this bipartisan bill for multiple sessions.

“Good government should be about something more than just profits,” Jacobson said. **“We should be doing everything we possibly can to help these people stay in their homes.”**

Proponents of SB 253 also include the Pacific Legal Foundation, a national nonprofit that seeks to defend individual liberties and constitutional rights, Americans for Prosperity, and the United Property Owners of MT.

Sen. Smith closed the hearing stating, **“We’re not here to make life easier for government officials, we’re protecting the homeowner.”**

The Senate Judiciary committee unanimously voted SB 253 out of committee. It will be heard for second reading on the Senate floor within the coming days.

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