

# Bond Case Briefs

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## **EMINENT DOMAIN - MONTANA**

### **Mountain Water Company v. Montana Department of Revenue**

**Supreme Court of Montana - August 4, 2020 - P.3d - 2020 WL 4462830 - 2020 MT 194**

Following condemnation of its water distribution system and initial claim for property tax refund private water company brought second claim for property tax refund regarding taxes paid while property was subject to condemnation proceedings.

The District Court granted summary judgment for city on unjust enrichment grounds. Water company appealed, and city and county cross-appealed.

The Supreme Court held that:

- Equitable doctrine of unjust enrichment could not preclude claim for property tax proration and related relief in light of statutory provision;
- Remedy of property tax protest, declaratory judgment, and general property tax refund is unavailable for enforcement of a condemnee's right to property tax proration; and
- Settlement agreement constituted a knowing and intelligent contractual waiver of company's right to property tax proration and reimbursement from the city.

Equitable doctrine of unjust enrichment could not preclude private water company's claim for property tax proration and related relief, after city initiated condemnation action to take company's water distribution system, in light of statute specifically commanding that the "condemnor must be assessed the condemnor's pro rata share of taxes for the land being taken" as of the earlier of date of summons or possession and that the "condemnor must be assessed for all taxes accruing" thereafter prior to transfer of record title.

Remedy of property tax protest, declaratory judgment, and general property tax refund is inapplicable and unavailable as a matter of law for enforcement of a condemnee's right to property tax proration.

Water company settlement agreement with city regarding condemnation of water company's water distribution system constituted a knowing and intelligent contractual waiver of its right to property tax proration and reimbursement from the city; settlement agreement clearly indicated that the manifest mutual intent and effect of the agreement was for water company to waive any claim for property tax reimbursement or relief from or against the city while at the same time preserving the right to seek a general property tax refund, and stipulated final judgment in condemnation expressly incorporated the terms of the settlement agreement by reference.