

HOUSE BILL REPORT

SB 5149

As Reported by House Committee On:
Local Government

Title: An act relating to modifying county treasurer administrative provisions.

Brief Description: Modifying county treasurer administrative provisions.

Sponsors: Senators Pridemore, Swecker, Fairley, Oemig and Shin.

Brief History:

Committee Activity:

Local Government: 3/20/07, 3/27/07 [DPA].

Brief Summary of Bill
(As Amended by House Committee)

- Requires that payments made from a county treasurer's "Metropolitan Park District Fund" be made through electronic funds transfer or through warrants issued in accordance with specified requirements.
- Requires that title to property obtained by a county through a tax foreclosure sale must be held in trust for the taxing districts.
- Prohibits the imposition of special assessments or property owner association dues or fees on tax title lands held in trust by a county.
- Authorizes a county to impose real property liens for delinquent charges related to the development or acquisition of open spaces, parks, recreation areas, specified public facilities, and highways.
- Expands the authority of the county treasurer to seize, or accelerate tax payments owed on, specified types of personal property in the event tax payments are delinquent.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended. Signed by 7 members: Representatives Simpson, Chair; Eddy, Vice Chair; Curtis, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Ross, B. Sullivan and Takko.

Staff: Thamas Osborn (786-7129).

Background:

General Authority and Duties of County Treasurers

County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. County treasurers are the custodian of the county's money and the administrator of the county's financial transactions. In addition to his or her duties relating to county functions, the county treasurers provide financial services to special purpose districts and other units of local government, including receipt, disbursement, investment, and accounting of the funds of each of these entities. County treasurers are responsible for the collection of various taxes, including legal proceedings to collect past due amounts, and other miscellaneous duties, such as conducting bond sales and sales of surplus county property.

County Treasurer's Duties Regarding Payments out of a "Metropolitan Park District Fund"

A board of commissioners (board) of a metropolitan park district is authorized to levy taxes on all property located in a park district. In levying such taxes, a board is also authorized to include a sufficient sum to pay interest on all outstanding bonds and may include an amount for the creation of a fund for the redemption of outstanding bonds. The county treasurer is required to maintain a separate fund for the proceeds of the general park district tax levy to be known as the "Metropolitan Park District Fund" and which must be paid out with warrants.

County treasurers are subject to specific statutory requirements with respect to using warrants in making payments out of public funds. Also, a treasurer has the option of making payments from public funds by means of wire or other electronic methods in accordance with specified accounting standards.

Tax Title Lands

"Tax title lands" are those lands acquired by a county at a tax foreclosure sale. The legislative authority of each county is granted specified powers with respect to such lands, including the authority to:

- devote such lands to public use;
- to exchange such lands for other lands worth at least 90 percent of the value of the land exchanged; and
- manage such land in order to produce revenue.

Tax title lands deeded to a county must be stricken from the tax rolls and are exempt from taxation for so long as the county has the property.

Liens Related to Delinquent Payment of Storm Water Service Charges

Counties are authorized to obtain liens on real property for delinquent service charges, including interest, related to storm water control facilities.

Summary of Amended Bill:

County Treasurer's Duties Regarding Payments out of a "Metropolitan Park District Fund"

A county treasurer's payments from a "Metropolitan Park District Fund" must be made either:

- by warrants issued in accordance with specified statutory guidelines for such payments; or
- by means of wire or other electronic means in accordance with specified accounting standards.

Tax Title Lands

Title to property obtained by a county at a tax foreclosure sale must be held in trust for the taxing districts. Property owner association dues or fees may not be imposed on tax title lands held in trust by a county, nor may most types of special assessments. However, the act exempts specified types of "special assessments" from this general prohibition. Specifically, property acquired by a county through a tax foreclosure sale may be subject to the following types of special assessments:

- local improvement district assessments;
- utility local improvement district assessments; and
- assessments levied by specified categories of special improvement districts.

County Authority to Obtain Specified Liens

In addition to liens currently authorized with respect to charges related to storm water control facilities, a county is authorized to obtain real property liens for the delinquent payment of charges related to the acquisition, development, or improvement of open spaces, parks, recreation areas, specified public facilities, and highways.

Types of Property Subject to Accelerated Tax Payment or Seizure

Mobile homes, manufactured homes, and park model trailers are explicitly included among the types of personal property that may be subject to an accelerated demand for tax payment, or possible seizure, if taxes on such property are delinquent and the treasurer has reasonable grounds to believe that such property is about to be removed from the county, destroyed, sold, or disposed of.

Amended Bill Compared to Original Bill:

The amended bill exempts specified types of "special assessments" from the provision in section 3 of the bill which generally prohibits the imposition of special assessments on property acquired by a county through a tax foreclosure sale. Specifically, property acquired by a county through a tax foreclosure may be subject to the following types of special assessments:

- local improvement district assessments;
- utility local improvement district assessments; and
- assessments levied by specified categories of special improvement districts.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This is a high priority bill that should be passed. Section 3 of the bill needs to be amended with respect to issues regarding special assessments being levied on county tax title lands. The Senate has amended the House companion bill and this amendment should be included in the Senate bill as well.

(Opposed) None.

Persons Testifying: Rose Bowman and Ron Strabbing, Washington State Association of County Treasurers; Doug Lasher, Clark County Treasurer; and Jim Justin, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.