
Local Government & Housing Committee

HB 2962

Brief Description: Allowing county treasurers to use electronic bill presentment and payment that includes an automatic electronic payment option for property taxes.

Sponsors: Representatives Probst and Hunter.

Brief Summary of Bill

- Authorizes county treasurers to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment.
- Defines "electronic bill presentment and payment" as statements, invoices, or bills that are created, delivered, and paid using the internet.
- Directs the Department of Revenue, subject to some limitations, to administer a grant program for counties to assist in the development and implementation of an electronic bill presentment and payment system.

Hearing Date: 1/25/10

Staff: Ethan Moreno (786-7386).

Background:

General Authority and Duties of County Treasurers.

County treasurers have various duties and authorities relating to the receipt, processing, and disbursement of funds. County treasurers are the custodian of the county's funds and the administrator of the county's financial transactions. In addition to their duties relating to county functions, county treasurers provide financial services to special purpose districts and other units of local government. County treasurers are also responsible for the collection and receipt of taxes due counties.

County treasurers are authorized to accept credit cards, charge cards, debit cards, and other electronic communications for any payment of any kind. With some exceptions, a person paying through electronic communications is required to bear the cost of processing the transaction in an

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amount determined by the treasurer. The county treasurer's cost determination must be based upon costs incurred by the treasurer and may not exceed the additional direct costs incurred by the county to accept the specific form of payment utilized by the payer.

Timing of Real and Personal Property Tax Payments.

If the total amount of tax or special assessments on personal property or on any lot, block or tract of real property is \$50 or more, and if half of the amount due is paid on or before April 30, the remainder of the tax is due and payable on or before October 31.

Summary of Bill:

County Treasurers - Electronic Bill Presentment and Payment.

County treasurers are authorized to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment. "Electronic bill presentment and payment" is defined as statements, invoices, or bills that are created, delivered, and paid using the internet. The term includes automatic electronic payment from a person's checking account, debit account, or credit card. Prior to sending an electronic bill the treasurer must provide, by electronic means, a payment agreement that must be approved by the taxpayer.

Electronic bill presentment and payment may be on a monthly or other periodic basis as the county treasurer deems proper as a prepayment, and held in escrow by the treasurer until all prepayments are paid in full by the applicable due date.

Any administrative savings and any investment earnings on prepayments must be paid to a special interest account in the operation and maintenance account of the state treasury. Moneys in this account are to be used without budget limitation by the county treasurer only for the payment of expenses incurred in creating, administering, or expanding the system for collecting prepayments.

Timing of Real and Personal Property Tax Payments.

All taxes upon real and personal property authorized under law are due and payable to the county treasurer on or before April 30. The remainder of the tax is due and payable on or before the following October 31. All other assessments, fees, rates, and charges are delinquent after the due date.

Department of Revenue - Grant Program.

To the extent that funds are collected, the Department of Revenue must administer a grant program for counties to assist in the development and implementation of an electronic bill presentment and payment system, and with associated requirements. Provisions governing the grant program are specified. For example, no county may receive more than \$100,000 in grant funds, and no more than \$3.9 million may be awarded in total grant funds. After July 1, 2011, the grant funds are to be awarded from the Electronic Bill Presentment and Payment Technology Grant Account (Account) in the state treasury, an account created in the bill. Any funds remaining in the Account on July 1, 2016, must be deposited in the state's general fund.

Appropriation: None.

Fiscal Note: Requested January 22, 2010.

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