

SENATE BILL REPORT

SB 6195

As of January 20, 2010

Title: An act relating to mailing applications for distributions of excess proceeds from county tax lien foreclosures to the record owner.

Brief Description: Mailing applications for distributions of excess proceeds from county tax lien foreclosures to the record owner.

Sponsors: Senator Berkey.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 1/19/10.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Diane Smith (786-7410)

Background: Taxes assessed upon real property are a lien on the property from the first day of January in the year they are levied until the taxes are paid. After property taxes remain unpaid for three years, the county treasurer must issue a certificate of delinquency on the property, in favor of the county, for the total amount of unpaid taxes, interest, and assessments. The county treasurer files this certificate of delinquency with the clerk of the superior court and starts the tax foreclosure proceedings. Certificates may be issued in one general certificate in book form, including all property. Proceedings to foreclose the liens against the properties in the general certificate book may be brought in one action.

The real property may be redeemed by close of business on the day before the sale. Redemption requires payment of the amount for which the certificate of delinquency was issued plus any interest, taxes, and costs that accrued since the issuance of the certificate.

At the conclusion of the tax foreclosure proceedings, as the right of the case may be, the judge issues a judgment foreclosing the tax lien. The county treasurer must, then, sell the property to the highest and best bidder, for cash. The minimum acceptable bid is the total amount of taxes, interest, and costs.

If the sale is for more than the minimum bid, the excess must be refunded to the record owner of the property who must apply for this payment. The record owner is the person who held title on the date of issuance of the certificate of delinquency. If the record owner does

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not make the application within three years of the date of sale, the excess is paid to the county current expense fund.

Summary of Bill: The county treasurer must mail an application for the excess proceeds of a tax foreclosure sale to the record owner within 30 days of the sale.

Appropriation: None.

Fiscal Note: Requested on January 18, 2010.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Treasurers already do this voluntarily. We think it is good to put it into law.

Persons Testifying: PRO: Rose Bowman, Lewis County Treasurer; James Mc Mahon, Washington Association of County Officials.