

# SENATE BILL REPORT

## SB 6768

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As of February 4, 2010

**Title:** An act relating to allowing county treasurers to use electronic bill presentment and payment that includes an automatic electronic payment option for property taxes.

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

**Sponsors:** Senators Pridemore, Delvin, Fairley and Hewitt.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 2/04/10.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Alison Mendiola (786-7483)

**Background:** A county treasurer is the receiver and collector of all taxes extended upon the tax rolls of the county whether levied for state, county, school, bridge, road, municipal, or other purposes.

Property Tax. When the total amount of tax or special assessments on personal property is more than \$50, and if one-half of the tax is paid on or before April 30, the remainder of the tax is due on or before October 31.

Method of Payment. County treasurers are authorized to accept credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, and automatic clearinghouse system transactions, or other electronic communication, for any payment of any kind. A payer bears the cost of processing the transaction in an amount determined by the treasurer. The 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.

**Summary of Bill:** A county treasurer may collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment.

Electronic bill payment is optional for the taxpayer.

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*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.*

Electronic bill presentment and payment may be a monthly or other periodic basis, as determined by the county treasurer. Prepayments of taxes for real and personal property must be made in full by April 30, or October 31, accordingly.

Collection costs and investment earnings on prepayments are credited to a special interest account in the operation and maintenance fund of the County Treasurer, only to be used for the payment of expenses incurred for collecting prepayments.

If funds are collected electronically, the Department of Revenue (DOR) is to administer a grant program for counties to assist in the development and implementation of an electronic bill presentment and payment system.

Any such grant is to be equal to the amount a county paid to purchase hardware or software related to electronic bill presentment and payment and to make changes to existing software to comply with establishing its tax rolls.

A grant to a county is not to exceed \$100,000 and the total maximum amount of grants made by the DOR is not to exceed \$3.9 million.

The electronic bill presentment and payment technology grant account is created in the state treasury. This account is the source of the grants to the counties. After July 1, 2011, expenditures from the account may only be used for the establishment of tax rolls as provided for in RCW 84.56.010. Any funds remaining in this account after July 1, 2016, are to be deposited into the general fund. The account must receive its proportionate share of earnings.

**Appropriation:** None.

**Fiscal Note:** Requested on January 30, 2010.

**Committee/Commission/Task Force Created:** No.

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