
Local Government Committee

HB 2638

Brief Description: Creating greater efficiency and productivity in the offices of county assessors.

Sponsors: Representative Takko.

Brief Summary of Bill

- Authorizes county assessors to send notices and other information electronically.
- Repeals the credit allowed against the leasehold excise tax that limits the amount of the tax to what the property tax would be if the applicable property were in private ownership.

Hearing Date: 1/27/12

Staff: Kelly Pfundheller (786-7289).

Background:

County Assessors.

County assessors (assessors) determine the value of all taxable and real personal property in the applicable county for the purpose of determining the tax liabilities of property owners. The assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district and administers a variety of tax exemptions.

Notices and Information Sent by County Assessors.

The assessor is required to send certain notices and information by mail. This includes, but is not limited to, notices sent to taxpayers regarding:

- any change in the true and fair value of his or her real property;
- the assessed value of his or her personal property;
- the imposition of an additional tax or penalty in cases of disqualification for valuation of historic property;

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.

- the amount of a compensating tax owed when a designation of land as forest land has been removed; and
- the amount of a tax owed when the assessor elects to treat severed timber as personal property.

Leasehold Excise Tax Credit and Valuation of Publicly Owned Property.

Property owned by federal, state, or local governments is exempt from the property tax. However, private lessees of government property are subject to the leasehold excise tax. The purpose of the leasehold excise tax is to impose a tax burden on persons using publicly-owned, tax-exempt property similar to the property tax that they would pay if they owned the property.

The tax is collected by public entities that lease property to private parties. Common examples of property subject to the leasehold excise tax include: port property upon which lessees construct warehouses and manufacturing plants; airline facilities at public airports; state grazing lands; and national forest land leased for recreational cabins.

A credit is allowed against the leasehold excise tax to the extent that the amount of the leasehold excise tax exceeds the amount of property tax that would otherwise be due if the property were privately owned. The credit ensures that the leasehold excise tax is essentially equivalent to the property tax in its application.

The assessor is generally not required to place a value on publicly owned property. However, the Department of Revenue or a lessee of public property may request that the assessor conduct a valuation of public property for the purposes of determining the amount of the credit to be allowed against the leasehold excise tax.

Summary of Bill:

Notices and Information Sent by County Assessors.

The assessor may send any assessment, notice, or other information relating to property taxes electronically. This includes any information currently required to be sent by mail or has customarily been sent by mail. Electronic transmittal may include electronic mail or other electronic means reasonably calculated to apprise the person of the information. Information is deemed to have been mailed and received on the date that the assessor electronically sends the information or electronically notifies the person that the information is available to be accessed.

If the communication concerns taxpayer information that is subject to certain confidentiality requirements, the assessor must use methods reasonably designated to protect the information from unauthorized disclosure, unless the taxpayer provides a waiver. A person may provide a waiver for a particular item or may give a "blanket waiver" for any item of information or certain items of information.

The assessor's policies include procedures for authorizing a person to receive non-electronic notices upon request when:

- the person does not have the equipment or software necessary to enable the person to receive or otherwise obtain or access information from the assessor electronically;
- the person does not have access to the internet using the taxpayer's own equipment; or

- a circumstance or condition exists that, in the assessor's judgment, prevents the person from receiving or otherwise obtaining information from the assessor electronically.

Information compiled or possessed by the assessor for the purposes of providing notice is not subject to disclosure under the Public Records Act. This information includes, but is not limited to: taxpayer e-mail addresses, waivers, waiver requests, waiver revocations, and passwords or other methods of protecting taxpayer information.

The assessor is not required to send notices with respect to changes in valuation of publicly owned property.

Leasehold Excise Tax Credit and Valuation of Publicly Owned Property.

The credit allowed against the leasehold excise tax that limits the amount of the tax to what the property tax would be if the applicable property were in private ownership is repealed.

The assessor is not required to conduct a valuation of public property. However, when the exempt status of public property no longer applies as a result of a sale or change in use, the assessor must value and list such property as of the January 1 assessment date. Subsequently, the owner or person responsible for payment of taxes may petition the county Board of Equalization for a change in the assessed value.

Appropriation: None.

Fiscal Note: Requested on January 26, 2012.

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