
Finance Committee

HB 1004

Brief Description: Concerning payment of property taxes.

Sponsors: Representatives Moeller, Pedersen, Blake, Hunt, Clibborn, Green, Van De Wege, Fitzgibbon, Lytton, Appleton, Stanford and Pollet.

Brief Summary of Bill

- Authorizes county legislative authorities to accept payments on past due property taxes, penalties, and interest by electronic funds transfer on a monthly basis.

Hearing Date: 1/18/13

Staff: Jeff Olsen (786-7175).

Background:

All real and personal property in this state is subject to the property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located. The county treasurer mails a notice of tax due to taxpayers and collects the tax.

Property taxes are due on April 30 each year. If one-half of the tax is paid by April 30, then the other half is due on October 31. If the first-half property tax payment is not made on time, the entire tax is delinquent and interest is charged at the rate of 12 percent per year (1 percent per month). If the tax bill is below \$50, then all the tax must be paid by April 30. A penalty of 3 percent is assessed on taxes that are delinquent on June 1. An additional 8 percent penalty is assessed on taxes that are delinquent on December 1.

County treasurers are authorized to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment. Electronic bill presentment and payment includes an automatic electronic payment from a person's checking account, debit account, or credit card.

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.

Taxpayers may opt to use electronic bill presentment and payment, but treasurers may not compel the use of the electronic billing and payment system. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for prepayments, and all prepayments must be paid in full by the applicable April 30 or October 31 due date.

The treasurer must pay any collection costs, investment earnings, or both on prepayments to the credit of a county treasurer service fund account that must be created and used only for the payment of expenses incurred by the treasurer, without limitation, in administering the system for collecting prepayments.

Summary of Bill:

A county legislative authority may authorize the payment of past due property taxes, penalties, and interest on a monthly basis by electronic funds transfer. Monthly payments must first be applied to penalties and interest. Payments on past due taxes must provide for collection of one year's past due penalties, interest and taxes within a twelve month period.

Appropriation: None.

Fiscal Note: Requested on 01/10/13.

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