

HOUSE BILL REPORT

EHB 2953

As Passed House:

March 1, 1996

Title: An act relating to flood damage.

Brief Description: Allowing relief from interest and penalties on delinquent taxes on property in flood disaster areas.

Sponsors: Representatives Benton, L. Thomas, Mulliken, Chappell, McMahan, Pelesky, Dyer, Casada, Pennington, Silver, Sheldon, Stevens, Boldt, Hatfield, Keiser, Romero, Linville, Basich, Clements, Morris, Johnson, Robertson, Smith, Elliot, Kessler, Hymes, Brumsickle, Schoesler, Campbell, Grant, Quall, Costa, B. Thomas and Lambert.

Brief History:

Floor Activity:

Passed House: 3/1/96, 95-1.

Staff: Rick Peterson (786-7150).

Background: Property taxes are collected by the county treasurer in which the property is located. If the property tax bill is below \$30, then all the tax must be paid by April 30. Otherwise, the tax may be paid in two installments; the first half is due on April 30 and the second 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). In addition, a penalty of 3 percent is applied to the tax that is delinquent on June 1. If the tax is not paid by December 1, an additional penalty of 8 percent is applied.

Summary of Bill: Interest and penalties are forgiven on delinquent 1996 property taxes for personal residences damaged by flooding. The damage must have occurred between January 1, 1996 and May 1, 1996, and the residence must be located in a county that the Governor has declared a disaster area. Interest and penalties are forgiven only for the period April 30, 1996 to December 31, 1996.

Appropriation: None.

Fiscal Note: Requested on March 1, 1996.

Effective Date: The bill contains an emergency clause and takes effect immediately.