

HOUSE BILL REPORT

SSB 6126

As Reported By House Committee On:

Government Operations

Title: An act relating to county treasurer receipting practices.

Brief Description: Revising county treasurer receipting practices.

Sponsors: Senate Committee on Government Operations (originally sponsored by Senators McCaslin, Haugen and Winsley).

Brief History:

Committee Activity:

Government Operations: 2/16/96, 2/23/96 [DPA].

HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended. Signed by 15 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Goldsmith, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Conway; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; Scheuerman; D. Schmidt; Van Luven and Wolfe.

Staff: Steve Lundin (786-7127).

Background: County treasurers collect property taxes and some special assessments that are allowed to be collected with property taxes. As part of the property collection process, county treasurers mail notices of property taxes due and, where applicable, notices of special assessments due to taxpayers or property owners.

If the total property taxes or special assessments that are collected with property taxes due in any year on a single property are \$30 or more, the property owner may pay one-half of the amount on or before the 30th day of April of that year and the other half of the amount on or before the 31st day of October of that year. However, if the amount due in any year is less than \$30, the full amount is due on or before the 30th day of April of that year.

A special provision was enacted in 1991, waiving interest and penalties on delinquent 1991 property taxes, from April 30, 1991, through December 31, 1991, on the

personal residences owned by military personnel who participated in Operation Desert Shield or Desert Storm.

A person who desires to pay taxes on a portion of a single parcel or tract may petition the county treasurer to divide the parcel, for purposes of property tax payments, and allow payment of property taxes on each portion of the parcel so divided. This division is called a "segregation."

County treasurers are not allowed to accept partial payment of any property tax that is due.

Summary of Amended Bill: The minimum annual amount of property taxes or special assessments that are collected along with property taxes that may be paid in two equal increments, rather than a single payment, is increased from \$30 to \$50.

Interest and penalties are waived on delinquent 1996 property taxes, from April 30, 1996, through December 31, 1996, on the personal residences owned by military personnel who participated in the situation known as "Joint Endeavor."

It is clarified that the ability to divide a single parcel into separate portions for purposes of paying property taxes also applies to undivided fractional interests in the property. A segregation may not be made unless all current year taxes on the entire tract are paid in full.

County treasurers are allowed to accept credit cards, charge cards, debit cards, federal wire, automatic clearinghouse system transactions, or other electronic communication for any taxes, fines, interest, penalties, special assessments, fees, rates, charges, or moneys due counties. Any payment by such electronic means must include processing costs, including any discount.

The changes in the bill are effective for property taxes levied for collection in 1997 and thereafter.

Amended Bill Compared to Substitute Bill: The waiving of interest and penalties for delinquent taxes on military personnel participation in "Joint Endeavor" was added. Payment by electronic means must include transaction costs, including any discount.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This will save money and add convenience for taxpayers.

Testimony Against: None.

Testified: Phil Sanders, King County Treasurer's Office; Rose Bowman, Lewis County Treasurer; and Ron Strabbing, Grays Harbor County Treasurer.