

HOUSE BILL REPORT

SHB 2116

As Passed House:

February 6, 1996

Title: An act relating to an exception due to good cause for late payment of property taxes.

Brief Description: Allowing an exception due to good cause for late payment of property taxes.

Sponsors: House Committee on Finance (originally sponsored by Representatives Dyer, Ballasiotes, Hankins, Lisk, D. Schmidt, Cooke, Crouse, Hymes, Lambert, Huff, Foreman, Horn, Pennington, Elliot, L. Thomas, Mulliken, Blanton, Cairnes, Johnson, Buck, Skinner, Pelesky, Reams, Clements, Mitchell, McMorris, Robertson, Sherstad, Hargrove, Backlund, D. Sommers, B. Thomas, Schoesler, Honeyford, McMahan, Talcott, Smith, Goldsmith, Dickerson, Romero, Koster, Carrell, Delvin, Basich, Campbell, Sheahan, Quall, Morris, Fuhrman, Carlson, Hickel, Thompson, Stevens, Costa and Benton).

Brief History:

Committee Activity:

Finance: 1/25/96, 1/31/96 [DPS].

Floor Activity:

Passed House: 2/6/96, 92-0.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Boldt, Vice Chairman; Morris, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Hymes; Mason; Mulliken; Pennington; Schoesler; Sheldon and Van Luven.

Staff: Cheri Keller (786-7093).

Background: Property taxes apply to the assessed value of all taxable property, which includes all real and personal property located within the state, unless specifically exempted. Real property includes land, structures, and certain equipment affixed to the structures; personal property includes machinery, supplies, certain utility property (e.g., dams), and other items which are movable.

The county assessor determines the assessed value of each property and the amount of tax due for each property. The county treasurer prepares an annual statement of taxes due which is sent to owners in mid-February. Owners must pay at least one-half of the tax by April 30 and the remainder by October 31. The treasurer receives the payments and distributes the funds to the accounts of the appropriate taxing districts.

If payment is not received by the due dates, certain penalties apply. A penalty of 3 percent is added to the entire year's tax if the first half-payment is not received by May 31, and 8 percent is added if the tax remains delinquent on November 30. All delinquencies are assessed interest at the rate of 12 percent per annum. If the taxes remain unpaid for three years, the county may commence foreclosure proceedings to sell the property.

Summary of Bill: No interest or penalties may be assessed on a delinquent property tax payment if the tax is paid within one month of the due date, if the taxpayer requests the waiver in writing, and one or more of the following events or circumstances exist.