

SENATE BILL REPORT

SHB 2116

As Reported By Senate Committee On:
Government Operations, February 23, 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: Government Operations: 2/20/96, 2/23/96 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Goings, Hale, Heavey, McCaslin and Winsley.

Staff: Katie Healy (786-7403)

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, 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.

There is concern that certain circumstances may warrant a brief waiver of these penalties.

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:

- (1) Death of the taxpayer or the taxpayer's immediate family, within 30 days of the due date. Immediate family is defined as spouse, children, parents, or persons living in the same household;
- (2) Incorrect written advice regarding payment of property taxes received from county treasurer's staff, county assessor's staff, or staff of the county property tax adviser;
- (3) Natural disaster such as flood or earthquake that prevented timely payment. The natural disaster declaration must be made by the Governor and applies only to those counties listed in the declaration. The county legislative authority must recognize the disaster by resolution and define the area of the county that qualifies for the waiver. The waiver may apply only to owner-occupied improved properties and mobile homes;
- (4) Delay or loss related to the delivery of the tax payment by the postal service and documented by the postal service.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: On occasion, there are extreme circumstances which may justify a short waiver of the due date for tax.

Testimony Against: None.

Testified: Fred Saeger, WA Assn. of County Officials (pro).