

# SENATE BILL REPORT

## SB 6109

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As Reported By Senate Committee On:  
Government Operations, January 23, 1996

**Title:** An act relating to county treasury management.

**Brief Description:** Modifying county treasury management.

**Sponsors:** Senators Loveland and Winsley.

**Brief History:**

**Committee Activity:** Government Operations: 1/17/96, 1/23/96 [DPS].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 6109 be substituted therefor, and the substitute bill do pass.

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

**Staff:** Katie Healy (786-7403)

**Background:** Certain requirements are imposed on municipalities collecting delinquent local improvement assessments. When foreclosing upon delinquent assessments, the city or town must provide notice 30 days before the action, which notice indicates the amount due on the property.

When a local improvement assessment can be paid in installments, a city or town may require by ordinance that failure to pay any installment due makes the entire assessment due and payable. Foreclosure can then be initiated to collect the assessment. However, if the delinquent party pays all past due installments, along with interest, penalty, and costs at any time before judgment is entered on the foreclosure, the installment payments are restarted as though no delinquency or foreclosure action occurred. If more than one installment is due, payment of the first delinquent installment together with interest, penalty, costs, and charges before sale will cause the municipal treasurer to dismiss the property from the action.

No jury is provided in foreclosing on local improvement assessments. If the party defaults on a particular property, the court may enter judgment of foreclosure and sale. The judgment must specify the amount of installments with interest, penalty, and costs, which includes title searches for the property or properties.

When a county has a lien for delinquent fees imposed for the withdrawal of subterranean water or on-site sewage disposal, the county must comply with specific requirements with regard to collecting on the delinquent charge.

When port districts pay taxes to the county treasurer (who is then acting as the port treasurer), any excess portion of funds may be invested. There is no specific direction as to who invests the funds on behalf of the ports.

Concern has been expressed that confusion results in certifying delinquencies to the county treasurer instead of the county auditor, who is the recorder. Clarification is desired in the language of certain statutes dealing with delinquent assessments and costs imposed in collecting on these delinquencies. There is desire for specifying as to who has authority to invest funds on behalf of port districts.

**Summary of Substitute Bill:** Foreclosure notices for delinquent local improvement assessments must state the amount due on the property, which amount must include the foreclosure costs.

When a delinquent installment on a local improvement assessment is paid, the costs to be paid are clarified as administrative costs. When a judgment and order of sale is granted by a court, reasonable costs are specifically identified as reasonable administrative costs. These administrative costs include, but are not limited to, title searches on the property.

A county collecting on a lien for delinquent charges for the withdrawal of subterranean water or on-site sewage disposal must record the lien in the county auditor's office. The validity of the lien is not affected by the county's failure to record the lien.

Certain technical changes are made to statutes dealing with delinquent charges for sewage or water services. The changes reflect that the county auditor is the office to which delinquencies are certified, not the treasurer. When foreclosing on liens for delinquent charges, the costs associated with the lien must be added. Such costs include, but are not limited to, advertising, title reports and personnel costs.

Port moneys determined to be in excess of the port district's current needs may be invested by the county treasurer.

**Substitute Bill Compared to Original Bill:** A section was added to the original bill clarifying that costs such as advertising, title reports and personnel costs must be added to the lien when foreclosing on delinquent charges for sewage or water service.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** When cleaning up on liens for delinquencies in sewage or water service charges, confusion is caused by certifying such delinquencies to the county treasurer. The county auditor is the recorder, not the treasurer. When checks are made on recordings, most people do not also check with the treasurer for such liens. Clarification is also needed in specifying that the county treasurer may invest funds for a port district.

**Testimony Against:** None.

**Testified:** Michael J. Murphy, Thurston Co. treasurer (pro); Rose Bowman, Lewis County treasurer (pro); George Walk, Pierce Co. (pro).