

HOUSE BILL REPORT

SSB 5028

As Reported By House Committee On:
Government Administration

Title: An act relating to county treasury management.

Brief Description: Modifying county treasury management.

Sponsors: Senate Committee on Government Operations (originally sponsored by Senators Sellar, Swecker and Loveland).

Brief History:

Committee Activity:

Government Administration: 3/21/97, 3/25/97 [DPA].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: Do pass as amended. Signed by 11 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunshee; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Steve Lundin (786-7127).

Background: County treasurers perform a variety of financial functions for counties as well as special districts for which they act as the ex-officio treasurer.

A county imposes, collects, and enforces special assessments within local improvement districts it has created to finance sewer and water facilities in the same manner as a city or town imposes, collects, and enforces special assessments.

County treasurers invest county moneys, and special district moneys in their custody, in a variety of investments.

The county treasurer supervises sales of county property, but the county auditor publishes notices of these sales.

Voters may authorize a county to impose fees for withdrawing water or disposing sewage on-site within an aquifer protection area, that are used to finance the

protection, preservation, and rehabilitation of subterranean water. Liens exist on delinquent fees.

Counties may provide water and sewerage systems and impose connection charges and periodic service charges to finance these systems. Any delinquent charge becomes a lien when it is certified to the county treasurer.

Property may not be subdivided unless all taxes due on the property and delinquent assessments on the property have been paid. In addition, any person who files a plat or binding site plan after May 31 in any year, and prior to the date of the collection of taxes in the ensuing year, must deposit with the county treasurer the following year's anticipated property taxes on the unimproved value of the land.

All current and delinquent property taxes and assessments must be paid on an entire parcel before the parcel may be segregated into separate portions for property tax purposes.

Senior citizens or disabled persons, whose incomes are below a certain level, may defer special assessments and property taxes imposed on their residences that they own.

County treasurers prepare a variety of fiscal reports each year at the beginning of January.

Summary of Amended Bill: A variety of changes are made in laws that affect county treasury management.

Notice for delinquent special assessments imposed by a city or town in a local improvement district must provide notice of the foreclosure costs that are due, in addition to the amount of the special assessment that is delinquent. It is clarified that the foreclosure costs due on delinquent special assessments are administrative costs.

It is clarified that, when the county finance committee directs the county treasurer to invest special district moneys, these investments are made under investment policies established by the county finance committee.

Notice of the sale of county property is made by the county treasurer or the treasurer's designee rather than by the county auditor.

Any lien for delinquent fees imposed by a county in an aquifer protection district must be recorded in the office of the county auditor. Failure to record the lien does not affect the validity of the lien.

Special restrictions on the types of investments in which certain moneys may be invested are deleted or repealed, and these moneys are allowed to be invested under general laws relating to investments by the county treasurer.

Delinquent charges for county water or sewer service are certified to the county auditor rather than the county treasurer. It is clarified that costs associated with the foreclosure of such liens are included in the lien.

Requirements are altered for advanced deposits associated with a plat or binding site plan. The deposit is made when the plat or binding site plan is recorded, rather than filed. The moneys that are deposited may be used to pay assessments associated with the property, as well as property taxes associated with the property.

It is clarified that eligible senior citizens or disabled persons may defer all special assessments imposed on their residences that they own.

The county treasurer files various reports relating to county finances in February rather than in January of each year.

A person desiring to segregate land for property tax purposes is only required to pay delinquent taxes and assessments on the land, and no longer is required to pay current year taxes and assessments when the segregation is made.

Whenever land is divided under the platting and subdivision law or segregated for tax purposes, the county assessor ascertains the true and fair value of each lot. If the advance tax deposit was paid, the new assessment must be established by October 30 of the year following the recording of the plat or binding site plan. If the advance tax deposit was not paid, the new valuations must be made not later than the calendar year after the plat was recorded. It is clarified that the current year taxes required to be paid whenever land is divided means the taxes that are collectable after February 14.

A county legislative authority may waive the requirement that a person making non-tax payments to the county using a credit card or other electronic communications pay the county for its transaction processing costs for specific categories of non-tax payments. If transaction costs are required to be paid, the costs may not exceed the additional direct costs the county incurs to accept the specific form of payment that is made by the payer.

The calculation of the 106 percent limitation is clarified by removing language that potentially would allow for larger property tax increases.

A statute is repealed that required first-class cities to pay \$1,000 per year to the county for clerk hire.—

Amended Bill Compared to Substitute: A number of technical changes are made. The provision was added relating to counties accepting credit cards for non-tax payments. The provision was added relating to the 106 percent limitation.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill contains several effective dates. Please refer to the bill.

Testimony For: These are basically technical and clean-up changes. Changes are made to facilitate the payment of fees and charges using credit cards. Changes are made to keep property taxes from unexpectedly increasing under the 106 percent limitation. Not enough time exists to prepare the reports at the beginning of January. All moneys invested by county treasurers should be eligible to be invested in the same array of investments.

Testimony Against: None.

Testified: Rose Bowman, Lewis County Treasurer; Fred Saeger, Washington Assn. of County Officials; Phil Sanders, King County; and Frank and Tami Warnke, Dean Witter.