

HOUSE BILL REPORT

HB 2411

As Reported By House Committee On:

Government Administration

Title: An act relating to functions of county treasurers.

Brief Description: Refining statutes related to county treasurers.

Sponsors: Representatives Alexander, Wolfe, D. Schmidt, DeBolt, Gardner, D. Sommers and Thompson.

Brief History:

Committee Activity:

Government Administration: 1/21/98, 1/27/98 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Steve Lundin (786-7127).

Background: County treasurers perform a wide number of financial functions for the county and for other governments.

County treasurers collect property taxes imposed by all jurisdictions. The county treasurer pays a city the amount of road district property taxes that have been levied but not collected on any property annexed by the city. County treasurers auction property after the superior court has entered a judgement against the property for delinquent property taxes.

County treasurers disburse money by warrants issued and attested by the county auditor.

Local governments that create local improvement districts (LID's), and impose special assessments on benefitted land in the LID to finance public improvements, are authorized to segregate a special assessment that was imposed on a parcel if the parcel is divided.

Such a segregation involves dividing the special assessment into smaller amounts and applying these amounts to each lot that is created out of the parcel.

The State Finance Committee (composed of the State Treasurer, Lieutenant Governor, and Governor) designates financial institutions in the state that may act as public depositories where public moneys may be deposited. County treasurers designate one or more of these public depositories as public depositories where they may invest moneys they hold.

Local governments are authorized to issue general obligation bonds whether or not the bonds are physical instruments. A special district that uses the county treasurer as its treasurer must notify the county treasurer at least 30 days in advance of authorizing general obligation bonds.

County treasurers collect excise taxes imposed on real estate transactions, including the state's real estate excise tax and up to four different excise taxes that counties, cities, and towns may impose. A \$2 fee is collected on all transactions that are exempt from the state's excise tax on real estate transactions.

Summary of Substitute Bill: A variety of changes are made in laws relating to county treasurers.

1. Transfer of road district property taxes.

At least 30 days prior to the effective date of a city annexing territory, the city must provide a list of annexed parcel numbers to the county treasurer by certified mail. The county treasurer is only required to remit to the city those road district property taxes that are collected 30 days or more after receiving this notice.

2. Disbursal of moneys.

The county auditor must attest to a transfer of money before the county treasurer may electronically transfer the money.

3. Segregation of special assessments.

A copy of any segregation of special assessments that is approved by the board of commissioners of a PUD or a water-sewer district, or the county legislative authority, must be delivered to the county treasurer. The county treasurer segregates the special assessment after being paid a \$3 fee for each tract of land created from as the result of dividing a parcel.

4. Authorizing bank accounts and bank card depository services.

County treasurers must authorize all bank accounts and bank card depository services for a local government if the county treasurer acts as the treasurer for the local government.

5. General obligation bonds.

The county and a special district for which the county treasurer acts as its treasurer must notify the county treasurer at least 30 days in advance of issuing general obligation bonds.

6. Liens on delinquent water-sewer district charges.

A lien arises on delinquent rates and charges and connection charges imposed by a water-sewer district when the district certifies the delinquency to the county auditor rather than the county treasurer.

7. Real estate excise taxes.

A county, city, or town that imposes a real estate excise tax must send the county treasurer a copy of the ordinance initially imposing a real estate excise tax or altering the rate of a real estate excise tax at least 60 days prior to its effective date.

A total of \$2 is collected in the form of a tax and a fee whenever the calculation for the state's real estate excise tax is less than \$2.

8. Property taxes.

Money is defined for purposes of property tax law as constituting coin or paper money issued by the United States, rather than gold and silver coin, gold and silver certificates, treasury notes, United States notes, and bank notes.

Statutes relating to tax-title property are codified into a single chapter of law. Several sections of law dealing with the management of tax-title property are repealed.

Substitute Bill Compared to Original Bill: A number of technical and clarifying changes were made. A copy of an ordinance imposing any of the four different local real estate excise taxes, or altering the rate of such a tax, must be forwarded to the county treasurer, rather than the original resolution imposing one of the four different real estate excise taxes.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This is part of efforts over the years to clean up laws relating to county treasurers. County treasurers should be notified when changes are made in real estate excise taxes.

Testimony Against: None.

Testified: Representative Gary Alexander, prime sponsor; Rose Bowman, Lewis County Treasurer; Bob Dantini, Snohomish County Treasurer; Allan Martin, Chelan County Treasurer; Barbara Cory, Whatcom County Treasurer; and Jim Justin, Association of Washington Cities.