

# SENATE BILL REPORT

## SB 5908

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As Reported by Senate Committee On:  
Governmental Operations, February 6, 2014

**Title:** An act relating to property tax refunds.

**Brief Description:** Concerning property tax refunds.

**Sponsors:** Senators Kohl-Welles, Nelson, Hargrove, Keiser, Hobbs, Frockt and Kline.

**Brief History:**

**Committee Activity:** Governmental Operations: 1/20/14, 2/06/14 [DPS].

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 5908 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Conway, Dansel and McCoy.

**Staff:** Sam Thompson (786-7413)

**Background:** A taxpayer seeking a refund of property taxes must file a claim with the county treasurer within three years of the due date of the payment sought to be refunded. Formerly, a county legislative authority could authorize a refund of property taxes paid more than three years earlier. A 2009 enactment deleted that authority. It has been suggested that a county legislative authority should be allowed to authorize refunds of property taxes paid more than three years earlier to correct errors.

**Summary of Bill (Recommended Substitute):** A county legislative authority may authorize a property tax refund on a claim filed more than three years after the tax due date if the claim arises from a manifest error in a description of property. A taxpayer is not required to file a refund claim with the county treasurer for a refund based on an order reducing assessed valuation after an appeal; a county treasurer or assessor decision within three years of the due date justifying the refund on statutory grounds; or a county assessor or state Department of Revenue decision approving a tax exemption within three years of the tax due date.

**EFFECT OF CHANGES MADE BY GOVERNMENTAL OPERATIONS COMMITTEE (Recommended Substitute):** Changes clarify that a county legislative authority may authorize a refund if the claim arises from a manifest error in a description of

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property. Provisions are added providing that a taxpayer is not required to file a refund claim with the county treasurer in certain circumstances to receive a refund.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: This legislation, recommended by a King County Council member, could allow the county to provide a refund in an unusual case, dating back more than two decades, in which the county assessor assessed taxes based on an incorrect calculation of the size of the taxpayer's building.

CON: The 2009 legislation deleting authority of county legislative authorities to grant refunds was enacted in response to concerns that refunds were being improperly granted. The Washington Association of County Officials may be receptive to legislation allowing the correction of errors in this context.

**Persons Testifying:** PRO: Senator Kohl-Welles, prime sponsor; Richard Mesmer, NW Art Glass, Redmond.

CON: Monty Cobb, WA Assn. of County Officials.