

HOUSE BILL REPORT

SSB 5276

As Reported by House Committee On: Finance

Title: An act relating to refunds of property taxes paid as a result of manifest errors in descriptions of property.

Brief Description: Concerning refunds of property taxes paid as a result of manifest errors in descriptions of property.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Roach and Keiser).

Brief History:

Committee Activity:

Finance: 3/17/15, 4/3/15 [DP].

Brief Summary of Substitute Bill

- Permits a county legislative authority to issue a property tax refund more than three years after the due date of the payment for taxes paid as a result of manifest errors in the descriptions of property.
- Permits a county legislative authority to authorize a correction of a manifest error in a property value assessment or tax roll more than three years after the error is discovered.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 16 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Fitzgibbon, Manweller, Pollet, Reykdal, Robinson, Ryu, Springer, Stokesbary, Vick, Wilcox and Wylie.

Staff: Richelle Geiger (786-7175).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Property tax refunds may be issued if there has been a mistake or error in the tax bill or if the property's value has been reduced due to an appeal. Generally, the claim for refund must be made within three years after the due date of the property tax. Refunds may be awarded due to a manifest error in a description of property that is taxed, such as an error in the square footage description of a building.

Prior to 2009, county legislative authorities were permitted to order property tax refunds for an unlimited period of time. Legislation passed in 2009 that eliminated the discretionary power of county legislative authorities to authorize refunds beyond the three year time limit.

Generally, a county assessor or treasurer may cancel or correct a property value assessment or an assessment on a tax roll to correct a manifest error. Cancellations and corrections, including cancellations and corrections made due to a definitive change of land use designation, must be made within three years preceding the year in which the error is discovered.

Summary of Bill:

A county legislative authority may authorize a property tax refund on a claim filed more than three years after the due date of the payment sought to be refunded if the claim arises from taxes paid as a result of manifest error in the description of property.

A county legislative authority may authorize a correction of a manifest error in a property value assessment or tax roll more than three years after the error is discovered.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Taxpayers can receive high property tax bills due to a manifest error in the description of their property and not realize it until years later. The authority of the county legislative authorities to permit refunds beyond the three-year time limit should not have been removed by the Legislature in 2009. This bill rectifies that 2009 decision.

(Opposed) None.

Persons Testifying: Richard Mesmer, Northwest Art Glass.

Persons Signed In To Testify But Not Testifying: None.