

SENATE BILL REPORT

SSB 5276

As Amended by House, April 15, 2015

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: Government Operations & Security (Note: Senate Resolution 8609 adopted January 27, 2015, renamed the Committee on Government Operations & State Security to Committee on Government Operations & Security): 1/26/15, 2/03/15 [DP-WM].

Ways & Means: 2/16/15, 2/23/15 [DPS].

Passed Senate: 3/05/15, 44-0.

Passed House: 4/15/15, 96-2.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Roach, Chair; Benton, Vice Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Dansel, Habib and McCoy.

Staff: Sam Thompson (786-7413)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5276 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hasegawa, Hatfield, Hewitt, Kohl-Welles, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

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.

Staff: Dean Carlson (786-7305)

Background: Taxpayers may seek refunds of property taxes, based on any of several specified grounds. Grounds for refunds include a manifest error in a description of property that is taxed, such as an error in the square footage description of a building. Generally refunds are only authorized within three years after the due date of the property tax. Formerly, a county legislative authority could authorize a refund of property taxes paid more than three years earlier. A 2009 act deleted that authority.

Summary of Substitute 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 a manifest error in a description of property.

Appropriation: None.

Fiscal Note: Available.

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 (Government Operations & Security): PRO: This legislation could allow counties to provide property tax refunds in older cases involving mistakes in property descriptions that resulted in high overcharges. Mistakes may not be readily apparent to a taxpayer.

CON: A three-year limit should apply to all property tax refunds. County legislative authorities could abuse the authority granted in this bill, causing mischief.

Persons Testifying (Government Operations & Security): PRO: Senator Kohl-Welles, prime sponsor; Richard Mesmer, NW Art Glass, Redmond.

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

Staff Summary of Public Testimony on Original Bill (Ways & Means): PRO: I had two warehouses in Redmond with an office space in between. I found out that they applied the value of my office space and applied that value to the warehouse space. It made my property taxes go up 43 percent. The county gave me three years of refunds but wouldn't go further back. They suggested I sue them as the only way to receive a refund.

Persons Testifying (Ways & Means): PRO: Richard Mesmer, NW Art Glass.

House Amendment(s): An amendment clarifies that a manifest error correction of a property tax assessment may be made for a period of more than three years before the error is discovered if (1) authorized by the county legislative authority; and (2) the correction would result in a refund or reduction of taxes for a property owner.