
Local Government Committee

HB 2878

Brief Description: Making changes to county treasurer statutes.

Sponsors: Representatives Romero, Alexander and Hunt.

Brief Summary of Bill

- Creates substantive and technical changes in various statutes relating to the authority and responsibilities of county treasurers.
- Limits the circumstances under which the county treasurer is required to waive the interest and penalties owed for delinquent real property taxes.
- Creates procedures to be followed by the county coroner with respect to the disposition of unclaimed property that is found at the scene of a death and eliminates various statutory responsibilities of the county treasurer with respect to such property.
- Requires that upon the filing of the requisite affidavit attesting that a mobile home or trailer has been destroyed, the mobile home or trailer must be removed from the tax rolls and any outstanding taxes must be removed by the county treasurer.
- Clarifies that the monetary penalties collected for failure to meet disclosure requirements with respect to taxable personal property shall be distributed in the same manner as other property tax interest and penalties.

Hearing Date: 1/28/04

Staff: Thamas Osborn (786-7129).

Background:

Authority and duties of county treasurer. The county treasurer (treasurer) operates under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. The treasurer is the custodian of the county's money and the administrator of the county's financial transactions. In addition to his or her duties relating to county functions, the treasurer provides financial services to special purpose districts and other units of local government, which include responsibility for the receipt, disbursement, investment and accounting of the funds of each of these entities. The treasurer is also responsible for the collection of various taxes,

including legal proceedings to collect past due amounts. Furthermore, the treasurer has other miscellaneous duties such as conducting bond sales and sales of surplus county property.

Personal property tax assessments. State law allows property taxes to be levied on broad categories of personal property owned by commercial and business interests. The county assessor is required to make list of all persons in the county that are subject to the assessment of such personal property taxes. The listed persons must, in turn, make detailed written disclosures to the assessor regarding the personal property that is subject to assessment. A person who fails or refuses to make the requisite disclosures may be subject to monetary penalties which are added to the amount of the tax assessed against the taxpayer. Such penalties are collected in the same manner as the underlying tax.

Personal property tax liens. Taxes owed on personal property are treated as a lien upon the property subject to taxation. In any determination of the legal rights of various creditors who may have claims relating to personal property that is subject to a tax lien, the satisfaction of the tax lien has priority over the satisfaction of a mortgage, judgement, debt, or other legal obligation. Until such time as the taxes and interest are paid in full, it is unlawful for a person to remove from the county any property that is subject to a tax lien.

Waiver of tax interest and penalties. The county treasurer is responsible for the collection all taxes due and collectable on the tax rolls of the county, and must notify each taxpayer in the county of the amount of any current and delinquent taxes owed by the taxpayer. If the county treasurer fails to notify a taxpayer of interest and penalties owed and such failure is the result of an error by the treasurer, such interest and penalties must be waived.

Summary of Bill:

Disposition of a decedent's unclaimed property. The responsibility for the public auctioning of unclaimed property found at the scene of a death is shifted from the county treasurer to the county coroner. The coroner is required to comply with specified procedures with respect to the disposition of unclaimed property, other than money, found at the scene of a death.

Administration of county investment pool. The county treasurer may, without regard to budget limitations, use funds deducted from an authorized county investment pool to create a revolving fund to pay the administrative costs of running the pool.

Back taxes owed on destroyed mobile home or trailer. Upon a property owner's filing of the requisite affidavit with the county assessor attesting to the destruction of a mobile home or trailer, the mobile home or trailer must be removed from the tax rolls and any outstanding taxes must be removed by the treasurer.

Distribution of personal property tax penalties. The penalties collected for failure to meet disclosure requirements with respect to taxable personal property must be distributed by the county treasurer in the same manner as other property tax interest and penalties.

Waiver of tax interest and penalties. The statutory provisions outlining the circumstances under which the county treasurer is required to waive the interest and penalties owed for delinquent real property taxes are made more restrictive due to the addition of the following conditions:

- such waiver may occur only if the treasurer's failure to provide the requisite tax notice follows the transfer of ownership of the property;
- the waiver is limited to the interest and penalties that accrue during the 3 year period following the transfer of the ownership of the property; and
- in order to be eligible for such waiver, the property owner must have properly recorded the conveyance with the county auditor and must have included his or her name and address in such record.

Personal property subject to tax liens. A technical amendment is made to the language of RCW 84.56.120, so as to delete the word "priority" from the phrase "priority lien". This amendment makes the language of the statute consistent with other internally-referenced statutes pertaining to the creation and enforcement of tax liens.

Real property tax foreclosure proceedings. 1) Clarifies existing law by specifying that prior to refunding excess funds derived from a real property tax foreclosure sale, a county treasurer is responsible for paying only those water-sewer district liens that are "recorded". 2) Clarifies existing law by specifying that in the event no claim is made for excess tax foreclosure sale funds during the 3 year period following such sale, all claims to such funds by property owners are extinguished.

Appropriation: None.

Fiscal Note: Requested on January 22, 2004.

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