

HOUSE BILL REPORT

SB 5732

As Passed House:

April 4, 2007

Title: An act relating to restrictions on the county treasurer regarding receipting current year taxes.

Brief Description: Revising restrictions on the county treasurer regarding receipting current year taxes.

Sponsors: By Senators Fraser, Swecker, Fairley, Haugen and Clements.

Brief History:

Committee Activity:

Local Government: 3/20/07 [DP].

Floor Activity:

Passed House: 4/4/07, 95-1.

Brief Summary of Bill

- Allows a county treasurer to accept tax payments and issue receipts for such payments once he/she has completed the tax roll for the current year's collection and provided the requisite notification of the completion of the tax roll.
- Eliminates the requirement that a county treasurer not receive tax payments or issue tax receipts prior to the 15th day of February in the year the taxes are due.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Simpson, Chair; Eddy, Vice Chair; Curtis, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Ross and B. Sullivan.

Minority Report: Do not pass. Signed by 1 member: Representative Takko.

Staff: Thamas Osborn (786-7129).

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.

County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. County treasurers are 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 county treasurers provide financial services to special purpose districts and other units of local government, including receipt, disbursement, investment, and accounting of the funds of each of these entities. County treasurers are responsible for the collection of various taxes (including legal proceedings to collect past due amounts) and other miscellaneous duties, such as conducting bond sales and sales of surplus county property.

Among a county treasurer's duties in collecting taxes is the establishment of the county's tax rolls. The county treasurer's establishment of the yearly tax rolls is the prerequisite to the county treasurer having the authority to levy and receive taxes. However, state law currently prohibits the county treasurer from receiving tax payments or issuing tax receipts prior to the 15th day of February in the year the taxes are due, even if the tax rolls for that year are legally established prior to this date.

Summary of Bill:

A county treasurer may accept tax payments and issue receipts for such payments once he/she has completed the tax roll for the current year's collection and provided the requisite notification of the completion of the tax roll. A county treasurer has the option of providing such notification either electronically, by posting a notice in the office, or through other written communication.

A county treasurer is no longer subject to the requirement that he/she not receive tax payments or issue tax receipts prior to the 15th day of February in the year the taxes are due.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This is a good bill because it allows early payment of taxes once the county treasurer has completed the tax roll. Early tax payments can have positive cash flow impacts. Many taxpayers want to get their taxes paid once the tax rolls are complete, but current law won't allow payment before February 15 of each year. It makes no sense to deny taxpayers the ability to pay early. This bill is simply good public policy and has no negative impacts whatsoever. It makes no substantive changes to the tax laws or the basic procedures for tax collection. Furthermore, the bill is permissive and does not require any county to accept

payments before February 15. Counties should be allowed to complete their tax rolls ahead of schedule and, in turn, taxpayers should be allowed to pay once their tax obligations have been determined. The effect of the bill is to simply provide some flexibility for counties with respect to the timetable for tax collection.

(Opposed) Some county treasurers are opposed to this legislation. The bill could have the effect of causing various counties to have different practices regarding the dates when tax payments will first be accepted. State law should require consistency among counties regarding the date that tax payments can first be made. It is best to have one fixed date when counties can begin to accept tax payments. The bill could have the effect of causing assessors to feel pressured to complete the tax rolls early. Racing for early completion of the tax rolls could have a negative effect on the accuracy of tax assessments.

Persons Testifying: (In support) Robin Hunt, Thurston County Treasurer; and Doug Lasher, Clark County Treasurer.

(Opposed) Ron Strabbing, Grays Harbor County Treasurer.

Persons Signed In To Testify But Not Testifying: None.