

SENATE BILL REPORT

HB 1797

As of April 1, 2013

Title: An act relating to tax collection by the county treasurer.

Brief Description: Concerning tax collection by the county treasurer.

Sponsors: Representatives Haler and Hunt.

Brief History: Passed House: 3/09/13, 97-0.

Committee Activity: Governmental Operations: 3/25/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: Real property held by taxpayers who fail to pay property tax is subject to foreclosure, three years after the delinquency date. County treasurers formally commence foreclosures by filing certificates of delinquency. Counties may recover foreclosure costs that accrue after a certificate of delinquency is filed. These costs are credited to county treasurer operation and maintenance funds to defray costs of future foreclosures. It is unclear whether counties may recover foreclosure costs that accrue before a certificate of delinquency is filed.

Summary of Bill: County treasurers may assess and collect tax foreclosure avoidance costs that accrue in the year that taxes become three years' delinquent, and prior to the filing of a certificate of delinquency. These cost are defined as costs that can be identified specifically with administration of properties subject to, and prior to, foreclosure. They can include employee and materials, services, or equipment expenses. Collected costs must be credited to county treasurer operation and maintenance funds to defray costs of future foreclosures.

After a treasurer commences efforts to collect delinquent personal property taxes, a delinquent collection charge for costs incurred by the treasurer must be added to the account.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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.

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

Staff Summary of Public Testimony: PRO: This revenue-neutral bill, sought by county treasurers, resolves an ambiguity in current law and appropriately enables treasurers to recover certain foreclosure-related costs. Treasurers work with taxpayers to keep property out of foreclosure. Costs collected pursuant to this legislation will be credited to a fund that defrays foreclosure costs.

Persons Testifying: PRO: Representative Haler, prime sponsor; Shawn Meyers, Assn. of County Treasurers; Monty Cobb, WA Assn. of County Officials.