

# SENATE BILL REPORT

## SB 5047

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As of January 31, 2013

**Title:** An act relating to allowing for partial payment of delinquent property taxes.

**Brief Description:** Allowing for partial payment of delinquent property taxes.

**Sponsors:** Senators Nelson, Darneille and Murray.

**Brief History:**

**Committee Activity:** Governmental Operations: 1/24/13.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Sam Thompson (786-7413)

**Background:** Taxpayers must pay property taxes to county treasurers by April 30. However, if taxes and assessments on property total at least \$50, taxpayers may pay one half of the total on or before April 30 and the remainder on or before October 31. If a taxpayer misses the April 30 deadline, taxes are delinquent and interest is charged at the rate of 12 percent per year (1 percent per month). A penalty of 3 percent is assessed on taxes delinquent on June 1. An additional penalty of 8 percent is assessed on taxes delinquent on December 1.

During a state of emergency declared by the Governor, a county treasurer may grant extensions of due dates as the treasurer deems proper.

Interest and penalties are not assessed on delinquent taxes imposed on personal residences owned by active duty military personnel participating in armed conflict and assigned to duty stations outside the US.

**Summary of Bill:** Taxpayers may make partial payments on delinquent property taxes. Partial payments must first be applied to any outstanding interest and penalties, and the remainder applied to delinquent taxes. After any partial payments, penalties and interest must be imposed on the balance of tax due and not on the full amount of tax originally due. Partial payments must be at least \$50.

**Appropriation:** None.

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*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.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on December 1, 2013.

**Staff Summary of Public Testimony:** PRO: Taxpayers should be allowed to make partial payments on delinquent property taxes; full payment may be difficult for some taxpayers, particularly during economic downturns. Proponents are amenable to making this proposal optional for counties; one approach may not work statewide. Counties currently lack specific authority to accept partial payments. Counties will face difficulty and expense in making necessary changes to computer software programs, which vary statewide. Counties seek changes authorizing implementing regulations, enabling electronic payment, and limiting partial payments prior to foreclosure proceedings.

OTHER: Changes are necessary to limit partial payments before foreclosure proceedings commence. Necessary changes to software programs could be expensive. Additional staffing may be necessary, particularly in the smallest counties. While more tax revenue may come in, administrative costs would increase.

**Persons Testifying:** PRO: Senator Nelson, prime sponsor; Hillary Emmer, citizen; Genesee Adkins, King County.

OTHER: Shawn Myers, County Treasurers Assn.; Monty Cobb, WA Assn. of County Officials.