

FINAL BILL REPORT

SSB 5705

C 239 L 13
Synopsis as Enacted

Brief Description: Concerning amounts received by taxing districts from property tax refunds and abatements.

Sponsors: Senate Committee on Governmental Operations (originally sponsored by Senators Brown, King and Hatfield).

Senate Committee on Governmental Operations
House Committee on Finance

Background: Taxpayers must pay property taxes to county treasurers by April 30. However, if taxes and assessments on property total \$50 or more, 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.

County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. A county treasurer is the custodian of the county's money and the administrator of the county's financial transactions. In addition to the duties relating to county functions, 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. Currently, county treasurers annually report to taxing districts the amount of taxes that were refunded to individuals, with interest, and due to a tax exemption, determination by a county board of equalization, or court order. County treasurers are not authorized to accept partial payment of delinquent property taxes.

Real property held by taxpayers who fail to pay property taxes is subject to foreclosure three years after the date of delinquency. County treasurers formally commence foreclosure proceedings by filing certificates of delinquency. Counties may recover costs of foreclosure proceedings 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 foreclosure proceedings.

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.

Summary: Taxes may be levied within a taxing district in order to reimburse a taxing district for taxes that were abated or cancelled, offset by any supplemental tax, in the next levy cycle. Any tax received to reimburse the taxing district for taxes that were abated or cancelled does not reduce the levy authority of that taxing district.

A county treasurer may authorize payment of past due property taxes, penalties, and interest on a monthly basis by electronic funds transfer. If a taxpayer is successfully participating in a payment agreement, the county treasurer may not assess additional penalties on delinquent taxes included in the payment agreement. Payments on past due taxes must include collection of taxes from the oldest delinquent year, which includes interest and taxes within a 12-month period. A county treasurer may add a delinquent tax collection charge for costs incurred by the treasurer.

A county treasurer may assess and collect tax foreclosure avoidance costs. Tax foreclosure avoidance costs are defined to include certain costs specifically identified with the administration of properties subject to, and prior to, foreclosure. Proceeds from the collection of tax foreclosure avoidance costs must generally be credited to the county treasurer service fund.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
House	98	0	(House receded/amended)
Senate	47	0	(Senate concurred)

Effective: July 28, 2013.