

SENATE BILL REPORT

SSB 5705

As Amended by House, April 25, 2013

Title: An act relating to amounts received by taxing districts from property tax refunds and abatements.

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).

Brief History:

Committee Activity: Governmental Operations: 2/18/13, 2/21/13 [DPS].

Passed Senate: 3/04/13, 49-0.

Passed House: 4/17/13, 97-0; 4/25/13, 98-0.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 5705 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Braun, Conway, Fraser and Rivers.

Staff: Karen Epps (786-7424)

Background: 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 the 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.

Currently, county treasurers annually report to taxing districts the amount of taxes that have been refunded to individuals, with interest, due to a tax exemption, a determination by a county board of equalization, or a court order.

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

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill will allow a taxing district the authority to recover that portion of their levy that was reduced within the preceding 12 months due to tax record adjustments, such as senior exemptions, Department of Revenue exemptions, and government exemptions. This bill will require the taxes abated to be offset by any supplemental tax for that same period thereby providing the districts the ability to collect exactly what they had levied and budgeted for. This bill cleans up the current language that allows the refund levy to be calculated on those adjustments in which the treasurer sent a refund check and not for those that were adjusted prior to collection. This bill takes the supplemental taxes into the calculation, providing a net effect if taxes had been increased during the preceding 12 months.

Persons Testifying: PRO: Shawn Meyers, Thurston County Treasurer; Monty Cobb, WA Assn. of County Officials.

House Amendment(s): Allows county treasurers to accept payments on past-due property taxes, penalties, and interest by electronic funds transfer on a monthly basis. Establishes that if a taxpayer is successfully participating in a payment agreement, the county treasurer may not assess additional penalties on delinquent taxes included within the payment agreement. Allows county treasurers to assess and collect tax foreclosure avoidance costs and delinquent collection charges on past-due real and personal property taxes. Removes the requirement that monthly payments must first be applied to penalties and interest. Provides that a delinquent collection charge for costs incurred by the treasurer may be added to the county treasurer service fund.