

HOUSE BILL REPORT

HB 1648

As Reported by House Committee On:
Local Government

Title: An act relating to county treasurer administrative efficiencies.

Brief Description: Concerning county treasurer administrative efficiencies.

Sponsors: Representatives Stonier, Frame, Peterson, Harris, Vick, Wylie and Pike.

Brief History:

Committee Activity:

Local Government: 1/31/17, 2/9/17 [DP].

Brief Summary of Bill

- Authorizes, instead of requires, county treasurers to provide a payment agreement to taxpayers.
- Authorizes electronic signatures on forms submitted to the Department of Revenue for the reporting of a sale of real property.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Gregerson and Peterson.

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

Staff: Yvonne Walker (786-7841).

Background:

County Treasurer Duties.

A county treasurer collects all taxes levied on personal and real property of the county and also collects assessments and charges for special districts. A treasurer is responsible for notifying each taxpayer of the amount of taxes owed on the taxpayer's property.

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.

All real and personal property in Washington is subject to property tax, unless the law provides a specific exemption. Generally, property taxes are due on April 30 each year. If one-half of the taxes are paid by April 30, the other half is due on October 31. Delinquent taxes are subject to penalties and interest fees.

Treasurers may use electronic bill presentment and payment (electronic billing) to collect taxes, assessments, fees, rates, and charges. As an option, a taxpayer may use this electronic process; however, the treasurer may not require its use.

A treasurer must provide a payment agreement to each taxpayer for payment of current year taxes including any prepayments of collection charges. The treasurer may provide a payment agreement for payment of any past due delinquent taxes. The agreement for past due delinquencies must include a requirement that current year taxes are paid timely. The taxpayer and treasurer must sign a payment agreement prior to the treasurer using electronic billing. A treasurer may accept partial payment of current and delinquent taxes due using electronic billing and payments.

Sale of Real Property.

When real property is sold and no instrument is recorded in the official real property records of the county where the property is located, the sale of the property must be reported to the Department of Revenue (DOR) within five days from the date of sale. The report must be submitted on forms and according to procedures as prescribed by the DOR. For purposes of estate excise tax affidavits, both the transferor and transferee must sign the forms, and the forms must accompany payment of any tax due.

Summary of Bill:

County Treasurer Duties.

County treasurers must provide a printed notice or electronically publish the amount of taxes owed for each taxpayer. If real property taxes are paid by a bank, the name of each tax and levy in the property tax information located on the county treasurer's website satisfies the notice requirement.

A county treasurer may (instead of "is required to") provide a payment agreement to taxpayers for payment of current taxes that are due, including any partial payment collection charges. A treasurer may accept a one-time, electronic partial payment without a payment agreement.

Sale of Real Property.

When real property is sold but no instrument is recorded in the official real property records, the forms submitted to the DOR must be manually signed or electronically signed by both the transferor and transferee.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill is a result of local jurisdictions identifying areas of savings, efficiencies, and automation. In order to achieve these savings and efficiencies, laws need to be updated.

This bill addresses three changes. First, it would allow the option to use the published tax information on a county website for those taxpayers whose mortgage companies pay their taxes. Over the last 26 years, since the original statutes went into effect, technology has changed significantly. The second change in the bill streamlines the payment system by allowing treasurers to receive partial payments sent by taxpayers through their bank's bill payer system. Presently, the statute requires the correct payment, and if the partial payment is not made whole, the county is required to reverse the accounting and send back the partial payment. The last change in the bill would allow counties to automate mobile home real estate excise tax affidavits by having the option for electronic signature.

It is important to change the law now so that local jurisdictions can start the planning and financial commitment toward the development of software in the future. This bill will help streamline operations of local jurisdictions and will help them save money. This bill brings the laws up to date and makes several technical changes to make sure the laws reflects technology.

(Opposed) None.

Persons Testifying: Representative Stonier, prime sponsor; and Doug Lasher, Clark County.

Persons Signed In To Testify But Not Testifying: None.