

SENATE BILL REPORT

SB 5189

As Passed Senate, March 3, 2017

Title: An act relating to eliminating the collection of anticipated taxes and assessments.

Brief Description: Eliminating the collection of anticipated taxes and assessments.

Sponsors: Senators Warnick, Takko and Angel.

Brief History:

Committee Activity: Local Government: 1/24/17, 1/26/17 [DP].

Floor Activity:

Passed Senate: 3/03/17, 45-0.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Removes the advance tax requirement for newly subdivided real property.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Angel, Vice Chair; Takko, Ranking Minority Member; Palumbo and Sheldon.

Staff: Bonnie Kim (786-7316)

Background: Subdivisions - Advance Tax Deposit. Generally, every person who files a document with a county auditor that results in any division or alteration of real property boundary lines must also present a certificate of payment from the assessor or other officer in charge of collecting taxes and assessments for the affected property or properties. All taxes, current and delinquent, must be paid. Any tax not yet levied and certified is collected as an advance tax.

When real property is subdivided into two or more separate lots, the county assessor must investigate and assess each resulting lot at its true and fair value. Unless an exception applies, all resulting lots should be assessed on the same basis.

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.

For each lot on which an advance tax deposit has been paid, the assessor must establish the true and fair value by October 30th of the year following the recording of the plat. The value established is the value of the lot as of January 1st of the year the original parcel of real property was last revalued. An additional property tax will not be due on the land until the calendar year following the year for which the advance tax deposit was paid if the deposit was sufficient to pay the full amount of the taxes due on the property.

For each lot on which an advance tax deposit has not been paid, the assessor must establish the true and fair value not later than the calendar year following the recording of the plat, map, subdivision, or replat.

Summary of Bill: The advance tax requirement for subdivided real property is removed. The assessor must establish the true and fair value of all newly subdivided property according the schedule previously set for lots on which an advance tax deposit had been paid.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The purpose of this bill is to eliminate the collection of anticipated taxes. County treasurers must currently collect the current year and the estimated following year's taxes, hold the funds, and then apply the funds to the next year's actual tax amount. This is a burden on the developers because they have to double-pay and to the county treasurers because the collection of advance tax lies completely outside our current systems.

Persons Testifying: PRO: Meredith Green, Kitsap County Treasurer.

Persons Signed In To Testify But Not Testifying: No one.