

HOUSE BILL REPORT

HB 1437

As Reported by House Committee On:
Local Government

Title: An act relating to noncollection of taxes by county treasurers.

Brief Description: Addressing noncollection of taxes by county treasurers.

Sponsors: Representatives Pollet and Kraft.

Brief History:

Committee Activity:

Local Government: 1/30/19, 2/6/19 [DP].

Brief Summary of Bill

- Provides that a county treasurer can no longer be held liable for solely neglecting to collect taxes; however, willful refusal to collect taxes remains punishable.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Pollet, Chair; Peterson, Vice Chair; Kraft, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Appleton and Senn.

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

Staff: Yvonne Walker (786-7841).

Background:

A county treasurer (treasurer) is the custodian of county money and the administrator of the county's financial transactions. The treasurer may also serve as the *ex officio* treasurer for a special purpose district (such as a flood control district, irrigation district, or public utility district) and may provide financial services to special purpose districts and other units of local government. Treasurers have many duties enumerated in statute, which include

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receiving and disbursing money, issuing receipts for money received, and maintaining financial records reflecting receipts and disbursements.

All taxes due on real and personal property are due and payable to the treasurer. To avoid interest and penalties, at least one-half of the amount due must be paid by April 30 and the balance is due by October 31. Delinquent tax payments are subject to interest and penalties.

By the first Monday of February of each year, treasurers must provide an annual report to the county auditor. The report must reflect the amount of taxes collected and uncollected as of December 31 of the prior year.

A treasurer who willfully refuses or neglects to collect taxes assessed upon personal property or file a list of those taxes that remain uncollected and delinquent can be held liable for the amount due. The amount due of any such uncollected taxes must be deducted from the treasurer's salary and applied to the funds for which they were levied.

Summary of Bill:

A treasurer can no longer be held liable for solely neglecting to collect taxes; however, willfully refusing to collect taxes remains punishable.

Appropriation: None.

Fiscal Note: Available.

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) It seems manifestly unjust that a county treasurer could be held personally liable for an oversight of failing to collect taxes. If the county treasurer chose to openly and defiantly refuse to collect taxes, then he or she could still be held liable. They should not be punished for an accidental failure. Treasurers are held to a higher level of liability with the language as it is written today as compared to other elected officials. The language in current statute is somewhat archaic. This is just a clean-up bill.

(Opposed) None.

Persons Testifying: Representative Pollet, primary sponsor; and Arny Davis, Washington State Association of County Treasurers.

Persons Signed In To Testify But Not Testifying: None.