

SENATE BILL REPORT

SHB 1069

As Reported By Senate Committee On:
Ways & Means, March 6, 2003

Title: An act relating to authorizing a waiver of interest and penalties for property tax bills not sent to the taxpayer due to error by the county.

Brief Description: Authorizing a waiver of interest and penalties for property tax bills not sent to the taxpayer due to error by the county.

Sponsors: House Committee on Finance (originally sponsored by Representatives Pflug, Gombosky, Anderson, Cairnes and Sullivan).

Brief History:

Committee Activity: Ways & Means: 3/4/03, 3/6/03 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Brown, Doumit, Fairley, Fraser, Hale, Honeyford, Johnson, Parlette, Poulsen, Regala, Roach, Sheahan, B. Sheldon and Winsley.

Staff: Terry Wilson (786-7433)

Background: Property taxes are due on April 30 each year. If one-half of the tax is paid by April 30, then the other half is due on October 31. However, if the first half is not paid on time, the entire tax is delinquent. If the tax is below \$50, then all the tax must be paid by April 30.

Delinquent property taxes are subject to interest and penalties. Interest is charged at the rate of 12 percent per year (1 percent per month) from the date of delinquency. A penalty of 3 percent is imposed on the amount of tax delinquent on June 1, and an additional penalty of 8 percent is imposed on the amount of tax delinquent on December 1.

Under limited circumstances, interest and penalties owed on delinquent property taxes are waived:

- Penalties and interest are waived if a county fails to mail the tax due notice to a new property owner if that person's name was recorded with the county by the previous November.
- Penalties and interest are waived if a taxpayer misses one property tax payment on his or her personal residence due to the death of a spouse.

- Penalties and interest are waived if a taxpayer misses one property tax payment on a parent's or step-parent's personal residence due to the death of the parent or step-parent.

Penalties and interest on delinquent property taxes are deposited into the county general expense fund.

Summary of Bill: Interest and penalties on late property tax payments are waived if the tax bill is not sent to the taxpayer due to error by the county.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This addresses a technical problem with the statutes. Citizens should not be charged for the mistakes of the county. It is only fair that a county should own up to its mistakes.

Testimony Against: None.

Testified: Representative Pflug, prime sponsor (pro); Rose Bowman, WSACT, Lewis County Treasurer (pro).