

SENATE BILL REPORT

E2SHB 1208

As Reported by Senate Committee On:
Government Operations & Elections, March 24, 2009

Title: An act relating to property tax administration.

Brief Description: Concerning property tax administration.

Sponsors: House Committee on Finance (originally sponsored by Representatives Takko and Alexander).

Brief History: Passed House: 3/05/09, 97-0.

Committee Activity: Government Operations & Elections: 3/23/09, 3/24/09 [DPA].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; McDermott, Pridemore and Swecker.

Staff: Sharon Swanson (786-7447)

Background: County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. County treasurers are the custodians of the county's money and the administrator of the county's financial transactions. In addition to their 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 proceeds to collect past due amounts) and other miscellaneous duties, such as conducting bond sales and sales of surplus county property.

Among county treasurer's duties in collecting taxes is the establishment of the county's tax rolls. The county treasurer's establishment of the yearly tax rolls is the prerequisite to the county treasurer having the authority to levy and receive taxes. The county treasurer may receive tax payments once the tax roll for the current year's collection is complete.

The first half of property taxes are due by April 30 and the second half on October 31. The interest rate on delinquent property taxes is 12 percent.

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.

Property tax refunds can be made if there has been a mistake or an error in the tax bill. Also, refunds are given if the property's value has been reduced due to an appeal. The claim for refund must be made within three years after the taxpayer paid the property tax. However, the county legislative authority may order a refund for an unlimited period.

Diking, drainage, or sewerage improvement district assessments for construction or maintenance of improvements are collected in the same manner as property taxes. The annual assessments or installments are collected in the same manner as property taxes. The annual assessments or installments of assessments for construction and maintenance and repairs are due in two equal installments. The first is payable by May 30 and the second by November 30. The rate of interest on late delinquencies is 10 percent.

The real estate excise tax is collected by the county treasurer. The tax generally applies to sales of real property. The county treasurer must put a stamp on the instrument of sale or conveyance showing the tax has been paid before the instrument can be filed with the county auditor.

Summary of Bill (Recommended Amendments): Statutes that reference the February 15 property tax collection date are changed to reference the date of the completion of the tax roll. Accordingly, a county treasurer is authorized to begin collecting various taxes and assessments once that county treasurer completes the yearly tax rolls.

All property tax refund claims must be made within three years of the due date for payment.

The payment dates for diking, drainage, or sewerage improvement district assessment are changed to the dates used for property tax collections: April 30 for the first half payment and October 31 for the second half. The interest rate charged on delinquent assessments is increased to 12 percent. The stamp required to show evidence of payment of the real estate excise tax is replaced by a verification of payment by the county treasurer.

EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS COMMITTEE (Recommended Amendments): The interest rate for delinquent taxes for diking, drainage, or sewerage districts is changed from 10 percent to 12 percent. The striking amendment removes the ability of the county legislative authority to act upon its own motion to grant a refund of property taxes without regard to any time limit. A county legislative authority can grant a property tax refund three years from the date the taxes were due.

Appropriation: None.

Fiscal Note: Available.

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 Engrossed Second Substitute House Bill: PRO: This is a technical cleanup bill. The house made several changes that the proponents would like to see returned to the original form. Amendments have been provided to staff.

Persons Testifying: PRO: Rose Bowan, Washington Association of County Treasurers; James McMahan, Washington Association of County Officials.