
Local Government Committee

HB 1798

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

Sponsors: Representatives Takko, Griffey and Haler.

Brief Summary of Bill

- Eliminates statutory provisions requiring collection of an advance tax on real property for taxes not yet levied and certified at the time a person records a document with the county auditor resulting in a division, alteration, or adjustment of real property boundary lines.
- Repeals the statutory requirement that an advance tax deposit be paid by persons recording plats after May 31 and prior to the date that taxes are collected.

Hearing Date: 2/10/15

Staff: Michaela Murdock (786-7289).

Background:

At the time of filing a plat for record, or filing any document for record with the county auditor (auditor) that results in a division, alteration, or adjustment of real property boundary lines, a certificate of payment showing that taxes and assessments on the property have been paid or discharged must also be presented. All taxes and assessments, both current and delinquent must be paid. Taxes not yet levied and certified must be collected as an advance tax.

Advance Tax Deposit.

Any person recording a plat after May 31 and prior to the date that taxes are collected, must pay a deposit, also referred to as an advance tax deposit, to the county treasurer (treasurer). The deposit is an amount equal to the county assessor's (assessor) latest valuation on the unimproved property in the subdivision, multiplied by the current year's dollar rate increased by 25 percent on the property platted. The treasurer's receipt is evidence of payment.

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.

The treasurer must use the advance tax deposit to pay the taxes and assessments on the property when the levy rates are certified by the assessor. If the amount of the deposit exceeds the amount necessary to pay the taxes and assessments, the treasurer must return the excess to the depositing party.

For each lot on which an advance tax deposit has been paid, the assessor must investigate and ascertain the true and fair value of the lot, and assess the lot. The valuation and assessment must be completed by October 30 of the year following recording of the plat. The value established is the value of the lot as of January 1 of the year the original parcel was last revalued. Additional property tax is not due on the land until the calendar year following the year for which the advance tax deposit was paid, provided the deposit was sufficient to pay the full amount of taxes due on the property.

Summary of Bill:

The statutory provision requiring collection of an advance tax on real property for taxes not yet levied and certified at the time a person records a document with the auditor, which results in a division, alteration, or adjustment of the real property boundary lines, is stricken. Similarly, the statutory requirement that an advance tax deposit be paid by any person recording a plat after May 31 and prior to the date that taxes are collected is repealed.

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.