

FINAL BILL REPORT

EHB 1648

C 142 L 17
Synopsis as Enacted

Brief Description: Concerning county treasurer administrative efficiencies.

Sponsors: Representatives Stonier, Frame, Peterson, Harris, Vick, Wylie and Pike.

House Committee on Local Government
Senate Committee on Local Government

Background:

County Treasurer Duties.

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

All real and personal property in Washington is subject to property tax, unless the law provides a specific exemption. Each treasurer is responsible for notifying each taxpayer of the amount of taxes owed on the taxpayer's property and for collecting all taxes levied on personal and real property in the county.

Collection of Property Taxes.

All taxes due on real and personal property are due and payable to the treasurer. To avoid interest and penalties, at least half of the amount owed is due by April 30 and the balance is due by October 31. If the tax is less than \$50, the entire payment must be paid in full by April 30. Delinquent tax payments are subject to interest and penalties.

Treasurers may use electronic bill presentment and payment (electronic billing) to collect taxes, assessments, fees, rates, and charges. As an option, a taxpayer may use this electronic process; however, the treasurer may not require its use.

A treasurer must provide a payment agreement to each taxpayer for payment of current year taxes including any prepayments of collection charges. In instances where tax payments are

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past due, the treasurer may provide a payment agreement for payment of any past due delinquent taxes. The agreement for past due delinquencies must include a requirement that current year taxes are paid timely. The taxpayer and treasurer must sign a payment agreement prior to the treasurer using any electronic billing. A treasurer may accept partial payment of current and delinquent taxes due using electronic billing and payments. If a taxpayer is successfully participating in a payment agreement, the county may not assess additional penalties on delinquent taxes that are included in the payment agreement.

Tax Foreclosure Costs.

Prior to filing a certificate of delinquency, treasurers may assess and collect tax foreclosure avoidance costs against real property for costs that can be identified specifically with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include: (1) compensation of employees for the time devoted and identified specifically to administering the avoidance of property foreclosure; and (2) the cost of materials, services, or equipment acquired, consumed, or expended specifically for the purpose of administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

Each county's current expense fund must include credits from all collections of interest on delinquent taxes. The treasurer's operation and maintenance fund, used as a revolving fund, must include any amounts collected from the cost of foreclosure and sale of real property and the costs of distraint and sale of personal property, for delinquent taxes. This revolving fund defrays the cost of further foreclosure, distraint, and sale of real and personal property for delinquent taxes without regard to budget limitations.

Excise Tax Affidavits.

When a mobile home is sold and no instrument is recorded in the official real property records of the county where the property is located, the sale of the property must be reported to the Department of Revenue (DOR) within five days from the date of sale. The report must be submitted on forms and according to procedures as prescribed by the DOR. For purposes of mobile home real estate excise tax affidavits, both the transferor and transferee must sign the forms, and the forms must accompany payment of any tax due.

Summary:

The treasurer's duties for collecting and accepting payment for taxes are clarified.

County Treasurer Duties.

Treasurers must provide a printed notice or electronically publish the amount of taxes owed for each taxpayer. The name of each tax and levy in the property tax information posted located on a treasurer's website satisfies the notice requirement if real property taxes are paid by a bank.

Collection of Property Taxes.

All treasurers are explicitly authorized to accept partial payments for current year taxes. Treasurers may, but are not required, to provide a payment agreement that provides for payment of current year taxes.

In instances where taxes are past due, treasurers may also accept partial payment of delinquent taxes, including any interest and penalties. A treasurer may provide a payment agreement to a taxpayer for payment of past due delinquencies. If a taxpayer is successfully participating in a payment agreement, the taxpayer may get relief from additional penalties and interest, and the county may not assess any additional penalties on delinquent taxes that are included within the payment agreement.

Tax Foreclosure Costs.

The definition of "tax foreclosure avoidance costs" is amended to include those direct costs associated with (rather than costs that can be identified with) the administration of properties subject to and prior to foreclosure. As a result, the proceeds from the direct cost of foreclosure and direct costs of distraint, due to delinquent taxes, must be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint.

Excise Tax Affidavits.

When real property is sold but no instrument is recorded in the official real property records, mobile home real estate excise tax affidavits submitted to the DOR must be signed, manually or electronically, by both the transferor and transferee.

Votes on Final Passage:

House	97	1	
Senate	46	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 23, 2017