

# HOUSE BILL REPORT

## HB 2536

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**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 Appleton, Griffey and McBride.

**Brief History:**

**Committee Activity:**

Local Government: 1/17/18, 1/18/18 [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.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

**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 (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

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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 a year-end report to the county auditor. The annual 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.

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**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.

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**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.

**Staff Summary of Public Testimony:**

(In support) Originally, there was a thought that there was a distinction between willfully refusing to collect taxes and neglecting to collect taxes. However, later it was found that the use of the word "neglect" was nebulous. In addition, the current statute requires the cooperation of the prosecutor's office and the county commissioner's office to help accomplish the collection of personal property taxes. All those departments do not necessarily get along all the time.

Many times when personal property has to be confiscated, the treasurer's office needs an immediate secure storage area for that property which is not always readily available. This is a good bill. Elected officials should not be held liable for something that may not be their fault.

(Opposed) None.

**Persons Testifying:** Representative Appleton, prime sponsor; and Jeff Gadman, Thurston County and Association of County Treasurers.

**Persons Signed In To Testify But Not Testifying:** None.