HOUSE BILL REPORT
SB 5189

As Reported by House Committee On:
Finance

Title: An act relating to eliminating the collection of anticipated taxes and assessments.

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

Sponsors: Senators Warnick, Takko and Angel.

Brief History:
Committee Activity:
Finance: 3/17/17, 3/30/17 [DP].

Brief Summary of Bill

- Eliminates the requirement that advance taxes must be collected before any document is filed with the county auditor to divide, alter, or adjust real property boundary lines.

- Repeals the statutory requirement that an advance tax deposit must be paid if a plat is filed after May 31 and prior to the date that taxes are collected.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 11 members: Representatives Lytton, Chair; Frame, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Dolan, Pollet, Springer, Stokesbary, Wilcox and Wylie.

Staff: Richelle Geiger (786-7139).

Background:

In order to file a plat for record, or any document with the county auditor (auditor) that results in a division, alteration, or adjustment of property boundary lines, both current and delinquent taxes and assessments on the property must be paid. Additionally, taxes not yet levied and certified must be collected as an advance tax.

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.

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 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, assess the lot, and ascertain the true and fair value of 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 requirement that advance taxes must be collected at the time a person submits a document with the auditor which results in the division, alteration, or adjustment of real property boundary lines is eliminated. Additionally, the statutory requirement that an advance tax deposit must 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: Available.

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) This bill removes the requirement for the prepayment of the following year's tax when land is platted. Currently, the amount of tax that will be due the following year has to be estimated, and if the developer paid more than the taxes turn out to be, the county refunds the difference. This bill makes administration easier for county assessors and developers.

(Opposed) None.

Persons Testifying: Senator Warnick, prime sponsor; and Monty Cobb, Washington Association of County Officials

Persons Signed In To Testify But Not Testifying: None.