

HOUSE BILL REPORT

SHB 1316

As Amended by the Senate

Title: An act relating to county treasurers.

Brief Description: Changing provisions relating to county treasurers.

Sponsor(s): By House Committee on Local Government (originally sponsored by Representatives Fraser, Brumsickle, Haugen, Basich, Wang, Ferguson, Edmondson, Sheldon, Cooper, Bowman, Nealey, Riley, Wood, Zellinsky, Mitchell, H. Myers, Jones and Paris).

Brief History:

Reported by House Committee on:
Local Government, March 5, 1991, DPS;
Passed House, March 14, 1991, 95-0;
Amended by Senate.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *That Substitute House Bill No. 1316 be substituted therefor, and the substitute bill do pass.*
Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

Staff: Bill Lynch (786-7092).

Background: County treasurers are the custodians of all the moneys belonging to the county and the State until they are disbursed according to law. Treasurers may be authorized by any municipal corporation to invest any funds which are not required for immediate expenditure.

County treasurers act as the collector of all taxes upon real and personal property, and also collect assessments and charges for special districts. The treasurers are responsible for notifying each taxpayer of the amount of taxes owed on the taxpayer's property. On the first day of each month the county treasurer is required to distribute the pro rata amount of money collected as consolidated tax

payments during the previous month to each of the taxing districts.

It has been suggested that the laws governing county treasurers should be revised to remove outdated language and modernize the description of the treasurers' duties.

Summary of Bill: The statutes governing county treasurers are revised to better reflect their responsibilities.

Delinquent property taxes are subject to interest and penalties at the rate of 12 percent per year, but delinquent weed district payments by state and local governments are only subject to 6 percent per year interest. The 6 percent interest provision is deleted so that delinquent weed district payments are subject to the delinquent property tax interest and penalty rate of 12 percent per year.

The State Auditor is no longer required to certify the assessments that a state agency must pay to weed districts.

Auctions of county surplus property no longer are required to be held on county property. The county legislative authority must designate where the auctions will be held.

County treasurers remain as ex officio treasurers of the school districts, and must continue to provide monthly reports to the school superintendent. The monthly report no longer has to be certified by the county auditor. The requirement for a yearly report is eliminated. School district obligations no longer must be paid by warrant.

The treasurer must issue a receipt for all money received other than taxes. The treasurer is no longer required to file the duplicate receipt with the county auditor, but instead keeps the duplicate. The date of redemption of warrants may be the day the financial institution processes the check.

The treasurer may grant an exception on the daily deposit of money where it is not administratively practical or feasible.

The current fee schedule for reimbursing the county treasurer for collecting, handling, disbursing, and accounting for special assessments, fees, rates or charges is changed from a variable rate to a fee that may not exceed \$4 per parcel for each year the funds are collected.

The treasurer is no longer required to furnish the county legislative authority with an estimate of the amount of

assessments to be collected from land that will be acquired from the county in the ensuing year.

The county finance committee, consisting of the county treasurer, auditor, and the chair of the county commissioners, is directed to approve county investment policy.

Excess funds may be transferred from the county local improvement guaranty fund to the general fund. The net cash of the local improvement guaranty fund must be at least 5 percent of the net outstanding obligations of the fund.

A person filing a condominium plan is no longer required to make a deposit of advance taxes.

The county treasurer is directed to collect a \$2 fee for filing transactions under the real estate excise tax that do not require payment of a tax.

When the total amount of a tax is less than \$30, the entire amount must be paid in full. This section is amended to include assessments.

The treasurers are directed to record the payment of all taxes in the treasurer's records by parcel.

It is currently unlawful to remove personal property from the State until all taxes and interest are paid. The bill also makes it unlawful to remove property from the county in which the property was assessed until all taxes have been paid.

The county auditor is no longer required to make quarterly settlements with the county treasurer.

After the expiration of 3 years from the date of delinquency, when any property remains on the tax rolls for which no certificate of delinquency has been issued, the county treasurer issues certificates of delinquency on the property for all years' taxes, interest, and costs. A certificate of delinquency issued by the treasurer is prima facie evidence: that the property described was subject to tax at the time it was assessed, it was assessed as required by law, and the taxes or assessments were not paid at any time before the issuance of the certificate. The prosecuting attorney is directed to assist with the filing of certificates of delinquency with the court.

The minimum acceptable bid at a foreclosure sale is the total amount of taxes, interest, penalties, and costs. An appeal may be filed in superior court to review a

foreclosure sale if a deposit is made with the clerk of the court in an amount equal to all taxes, interest, penalties, and costs. Any excess proceeds from the foreclosure sale must be applied to unpaid water and sewer district liens.

No property tax refunds may be made if the property has been sold in a manner that would prevent the collection of taxes from the property. Any refunds on delinquent taxes must include the proportionate share of interest and penalties paid. Property tax refunds may be applied to the subsequent year's tax.

Treasurers are no longer required to: redeem warrants in the order of their issuance, make a quarterly settlement with the county commissioners, make a certified return at the end of each month with the city treasurer, adhere to certain procedures concerning certificates of delinquency.

Other technical changes are made to delete redundant or confusing language.

EFFECT OF SENATE AMENDMENT(S): The provision which requires the Department of Revenue to distribute a compilation of the state laws pertaining to the assessment and collection of taxes to county officials is repealed.

Language that allows the county treasurer to publish notice in a newspaper of the levies made in the respective taxing districts, instead of sending notice to each taxpayer of the taxes owed on real and personal property, is deleted.

Language is added to clarify that property tax refunds are made upon the order of the county treasurer except when the county legislative authority acts upon its own motion.

References to the State Board of Equalization are changed to the Department of Revenue.

The chapter on classifying land as reforestation land, which terminated on July 1, 1984, is decodified.

Other sections which are repealed are: requiring the county legislative authority to furnish a map of all taxing and road districts to the assessor; requiring the assessor to assess all improvements on public lands as personal property until final proof is made; requiring the assessor to furnish the Department of Revenue with a list of businesses of a public character whose assessed valuation is \$3,000 or more; obsolete language on assessing leasehold estates; assessing the personal property of road or bridge companies, and assessing nonresident farm owners and migratory stock.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will better reflect the current responsibilities of county treasurers, and bring the statutes in conformance with generally accepted accounting principles. Certificate of delinquency provisions are not used in this State.

Testimony Against: None.

Witnesses: (All in favor): Mike Murphy, Thurston County Treasurer; Doug Lasher, Clark County Treasurer; Phil Sanders, King County Financial Division; and Joe Daniels, Washington State Association of Water/Wastewater Districts.

VOTE ON FINAL PASSAGE:

Yeas 95; Excused 2; Absent 1

Excused: Representatives Casada, Ferguson

Absent: Representative Sommers H