

# HOUSE BILL REPORT

## 2SSB 5372

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As Reported By House Committee On:  
Local Government  
Revenue

**Title:** An act relating to taxation.

**Brief Description:** Changing multiple tax provisions.

**Sponsors:** Senate Committee on Government Operations  
(originally sponsored by Senators Loveland and Winsley).

**Brief History:**

Reported by House Committee on:  
Local Government, February 24, 1994, DPA.  
Revenue, February 28, 1994, DPA(REV w/o LG)s.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 10 members:  
Representatives H. Myers, Chair; Springer, Vice Chair;  
Edmondson, Ranking Minority Member; Dunshee; R. Fisher;  
Horn; Moak; Rayburn; Van Luven and Zellinsky.

**Minority Report:** Do not pass. Signed by 1 member:  
Representative Reams.

**Staff:** Steve Lundin (786-7127).

**Background:** The state and some units of local government are authorized to impose property taxes and a variety of excise taxes. Many of the property tax statutes are quite old and contain inconsistent provisions, unused timeframes, and obsolete and inaccurate references to agencies and other statutes.

Property taxes may be paid by a credit card that is issued by a financial institution if the financial institution guarantees full payment of the amount due, without discount or other cost or charge, to the county.

The county treasurer acts as the treasurer for a number of special districts.

A local government may designate its treasurer or the state's fiscal agency to act as the fiscal agency for the local government when bonds are issued.

**Summary of Amended Bill:** The ability to pay property taxes with a credit card under certain circumstances is eliminated.

Delinquent gambling taxes are a lien on real and personal property used in the gambling operation in the same manner as delinquent property taxes on the property.

Besides being illegal to alter or forge a mobile home movement decal, it is illegal to reuse or transfer such a decal.

A county that has assumed a metropolitan municipal corporation may pay employees up to 13 days after the end of their pay period.

A county treasurer acting as the treasurer of a local government must liquidate investments of the local government to obtain moneys that are sufficient to redeem warrants issued by that local government.

The limitation is removed on a local government only being able to designate one of the state's fiscal agencies to act as its fiscal agency on bond issues and other obligations issued by the local government. The county treasurer acts as the fiscal agency for local governments for which the county treasurer acts as treasurer or the county treasurer may appoint another entity to act as the fiscal agency.

A wide variety of changes are made to property tax laws, including:

- o Property tax collections must be remitted to a joint school district monthly rather than quarterly.
- o At least 10 business days prior to a hearing before the State Board of Tax Appeals, both the county assessor and the taxpayer must provide each other with evidence of comparable sales they intend to present.
- o It is clarified that the Department of Revenue, rather than the State Board of Equalization, assesses the property of public utilities and private car companies.
- o The formula is deleted establishing the penalty for a secured party failing to provide the assessor with the name and address of the person making mortgage or contract payments and the court determines any penalty that is imposed of not exceeding the current maximum penalty of \$5,000.

- o Omitted improvements to real property may be added to the tax rolls even if other improvements already exist. The assessment of omitted improvements applies even if someone acquires an encumbrance on the property prior to the time the improvements are assessed.
- o At the request of 80 percent of the owners, the county assessor may charge all the owners the actual cost of surveying and platting an irregular subdivision. These charges, if unpaid, become a lien on the property and may be collected in the same manner as a property tax.
- o For purposes of equalizing assessed valuations, the Department of Revenue may proceed in a manner it deems appropriate to estimate the value of each class of property in a county if a county fails to provide assessed valuations to the department by December 1 in any year.
- o The requirement is deleted that the assessor provide notice to the owners of a divided tract of land with an assessed valuation of more than \$2,000 whenever a person pays taxes on any part of the divided tract.
- o A copy of foreclosure summons for foreclosing delinquent property taxes is no longer required to be sent to the treasurer of each city or town in which real property is located.
- o A county legislative authority may no longer accept prepayments of property taxes and assessments that are not yet due.
- o County treasurers may deduct the amount of refunded tax payments ascribed to state property taxes from the amount of property taxes that are collected for the state.

**Amended Bill Compared to Second Substitute Bill:** The new "adjustment" levy is deleted. Many of the changes from SHB 2794 are added, including changes concerning the fiscal agencies.

**Fiscal Note:** Not requested.

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

**Testimony For:** This is primarily a technical bill. A lot of good changes are made that will assist county assessors and treasurers.

**Testimony Against:** None.

**Witnesses:** Senator Loveland, prime sponsor; Mike Murphy, Thurston County Treasurer; Doug Lasher, Clark County Treasurer; and Gail Rauch, Snohomish County Assessor.

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**HOUSE COMMITTEE ON REVENUE**

**Majority Report:** Do pass as amended by Committee on Revenue and without amendment by Committee on Local Government. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven and Wang.

**Staff:** Rick Peterson (786-7150).

**Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Local Government:** The Revenue Committee amendment incorporates the Local Government Committee amendment but makes two changes. It removes the language that would increase the assessor's authority to levy back taxes for years in which improvements were omitted from the tax rolls. The Revenue Committee amendment adds a requirement that property tax statements show the amount or percent of total taxes that are directly approved by the voters.

**Fiscal Note:** Available.

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

**Testimony For:** This is basically a technical bill. Controversial issues have been either deleted or modified in consultation with affected parties. The majority of the assessor changes are administrative. At their annual meeting county treasurers determine the changes in law that are needed to better do their job. The treasurer-related items were contained in a bill heard by Revenue Committee earlier. The controversial features of that bill have been dropped.

**Testimony Against:** None.

**Witnesses:** Mike Murphy, Thurston County Treasurer; and Fred Saeger, Washington Association of County Officials.