

# HOUSE BILL REPORT

## 2SSB 5372

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As Passed House - Amended  
March 4, 1994

**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.

Passed House - Amended, March 4, 1994, 94-0.

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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).

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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).

**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 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 The county assessor shall provide valuation criteria and comparable sales to the taxpayer at least 14 business days prior to the hearing before the county board of equalization. The taxpayer must provide evidence of comparable sales at least seven days prior to the hearing.

- 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 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.
- o Property tax statements must show the amount or percent of total taxes that are directly approved by voters.

**Fiscal Note:** Available

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

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

(Revenue) 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:** (Local Government) None.

(Revenue) None.

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

(Revenue) Mike Murphy, Thurston County Treasurer; and Fred Saeger, Washington Association of County Officials.