

SENATE BILL REPORT

SJM 8029

AS PASSED SENATE, FEBRUARY 12, 1994

Brief Description: Petitioning Congress to allow states to require a notice requirement before imposing a federal lien on real property.

SPONSORS: Senators Morton, A. Smith, Hochstatter, Prince, McDonald, Oke, Bluechel, L. Smith, Sellar, McCaslin, Moyer, Winsley, Deccio, West and Roach

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass.

Signed by Senators A. Smith, Chairman; Ludwig, Vice Chairman; Hargrove, Nelson, Niemi, Quigley, Roach, Schow and Spanel.

Staff: Dick Armstrong (786-7460)

Hearing Dates: February 2, 1994; February 3, 1994

BACKGROUND:

A bill passed the Legislature in 1993 which was intended to ensure that property owners received notice that a federal lien had been filed against their property. The legislation provided that such liens could be filed only if the federal government certified that a copy of the lien document had been sent by registered or certified mail to the property owner.

The Governor vetoed the bill because it conflicted with a federal constitutional provision that vests Congress with exclusive authority to impose and collect federal taxes. Courts have held that states do not have authority to impose conditions on the collection of federal taxes, unless otherwise provided by Congress.

SUMMARY:

Congress is requested to enact legislation to allow states that impose notice requirements on state tax liens to impose similar notice requirements on federal tax liens.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This bill is necessary because it will help to resolve any potential constitutional problems with other legislation that is also moving through the Legislature this session.

TESTIMONY AGAINST: None

TESTIFIED: Senator Morton, prime sponsor (pro)