

HOUSE OF REPRESENTATIVES

Olympia Washington

Bil Analysis

Bil No. HB 2411

Refining statutes related to county treasurers
Brief title

Hrg. Date: 1/21/98

Reps. Alexander/Wolfe
Sponsor

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BACKGROUND:

County treasurers perform a wide number of financial functions for the county and for other governments.

1. Property taxes.

County treasurers collect property taxes imposed by all jurisdictions.

The county treasurer pays a city the amount of road district property taxes that have been levied but not collected on any property annexed by the city.

County treasurers auction property after the superior court has entered a judgment against the property for delinquent property taxes. The minimum acceptable bid at the auction is the amount of delinquent taxes, interest, penalties, and costs. The county acquires the property if no one bids at least the minimum acceptable bid. Property so acquired by a county is called tax-title property. - Counties are authorized to manage tax-title lands by devoting them to public uses, exchange the lands for other lands, manage the lands to produce maximum revenue, lease the lands, and sell the lands.

2. Disbursement of money by warrants and electronic transfer.

County auditors disburse money by warrants issued and attested by the county auditor. General statutory authority exists for county treasurers to receive, disburse, and transfer public funds by wire or other electronic communication in accordance with standards established by the State Auditor.

3. Segregation of special assessments.

Local governments that create local improvement districts (LID's) and impose special assessments on benefitted land in the LID to finance public improvements are authorized to segregate a special assessment that was imposed on a parcel if the parcel is divided. Such a segregation involves dividing the special assessment into smaller amounts and applying these amounts to each lot that is created out of the parcel.

4. Public depositories.

The State Finance Committee (composed of the state treasurer, lieutenant governor, and governor) designates financial institutions in the state that may act as public depositories. These public moneys may be deposited in County treasurers designated or more of these public depositories public depositories where they may invest moneys they hold.

5. General obligation bonds.

Local governments are authorized to issue general obligation bonds whether or not the bonds are physical instruments. A special district that uses the county treasurer as its treasurer must notify the county treasurer at least 30 days in advance of authorizing general obligation bonds.

6. Real estate excise taxes.

County treasurers collect excise taxes imposed on real estate transactions, including the state's real estate excise tax and up to four different excise taxes that counties, cities and towns may impose. A \$2 fee is collected on all transactions that are exempt from the state's excise tax on real estate transactions.

SUMMARY:

A variety of changes are made in laws relating to county treasurers.

1. Transfer of road district property taxes.

At least 30 days prior to the effective date of a city annexing territory, the city must provide a list of annexed parcel numbers to the county treasurer by certified mail. The county treasurer is only required to remit to the city those road district property taxes that are collected 30 days or more after receiving this notice.

2. Disbursement of moneys.

The county auditor must attest to a transfer of money before the county treasurer may electronically transfer the money.

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3. Segregation of special assessments.

A copy of any segregation of special assessments that is approved by the board of commissioners of a PUD or a water-sewer district or the county legislative authority concerning road improvement district must be delivered to the county treasurer. The county treasurer segregates the special assessments after being paid a \$3 fee for each tract of land created from a parcel.

4. Authorizing bank accounts and bank card depositor services.

County treasurer must authorize bank accounts and bank card depositor services.

5. General obligation bonds.

The authority is eliminated for local government to issue bonds that are not physical instruments. A special district with a treasurer other than the county treasurer must notify the county treasurer at least 30 days in advance of issuing general obligation bonds.

6. Lien on delinquent water-sewer district charges.

A lien arises on delinquent rates and charges and connection charges imposed by a water-sewer district when the district certifies delinquency to the county auditor rather than the county treasurer.

7. Real estate excise taxes.

A county, city or town governing body must send the county treasurer the resolution it adopts imposing one of the four different real estate excise taxes such governments may impose at least 60 days prior to the collection date.

The county treasurer collects a \$2 fee for all transactions where the state excise tax calculated is less than \$2.

8. Property taxes.

Money is defined for purposes of property tax law as constituting federally issued coin and paper money, rather than gold and silver or gold and silver certificates, treasury notes, United States notes and bank notes.

Statutes relating to tax-title property are codified into a single chapter of law. Several sections of law dealing with the management of tax-title property are repealed.

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FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill passed.