

SENATE BILL REPORT

SHB 1277

As Reported By Senate Committee On:
Ways & Means, April 3, 1997

Title: An act relating to confidentiality of property tax information.

Brief Description: Providing for confidentiality of property tax information.

Sponsors: House Committee on Finance (originally sponsored by Representatives B. Thomas, Dunshee, Carrell, Thompson and D. Schmidt; by request of Department of Revenue).

Brief History:

Committee Activity: Ways & Means: 3/31/97, 4/3/97 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Loveland, McDonald, Rossi, Sheldon, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: Terry Wilson (786-7433)

Background: Generally, information held by a public agency is available for inspection and copying. There are a number of exemptions to the public records laws. Many of these exemptions relate to personal information and proprietary business information.

The county assessor's records related to real property tax valuations are open to public inspection. However, confidential income data obtained by the assessor is not available for inspection.

Information obtained by the assessor in valuing personal property for property tax purposes may not be disclosed except with the permission of the owner. However, the assessor may share the information with the Department of Revenue for the purpose of determining sales or use tax liability and in court actions related to personal property taxes or sales or use taxes. Violation of the disclosure rules is a gross misdemeanor which is punishable by imprisonment in the county jail for up to one year, or by a fine of up to \$5,000, or by both.

A property tax exemption is available for emergency or transitional housing for low income homeless persons. Low income means income below 80 percent of median income. Applications with the Department of Revenue for exemption may contain information on persons using these facilities.

Summary of Amended Bill: Information about personal property obtained by assessors may be used in administrative proceedings related to personal property, sales, or use taxes. The

Department of Revenue is made subject to the same penalty as the assessor for violation of the disclosure rules.

Confidential income data and proprietary business information obtained by the Department of Revenue in administering the property tax laws may not be disclosed. Exceptions to this disclosure prohibition are as follows:

1. Disclosure to a county assessor or treasurer.
2. Disclosure in a civil, criminal or administrative proceeding regarding taxes, penalties or valuation.
3. Disclosure with written permission of the taxpayer.
4. Disclosure to a property tax official in a state which provides Washington officials the same privilege.
5. Disclosure of information held by another agency as a public record.
6. Disclosure to a peace officer or county prosecutor in response to a search warrant, subpoena, or court order.
7. Disclosure of information otherwise available under the Public Disclosure Act.

Confidential income data and proprietary business information is information communicated in confidence that has not been publicly disseminated by the taxpayer, the disclosure of which would be either highly offensive to a reasonable person and not a legitimate concern to the public or which would result in an unfair competitive disadvantage to the taxpayer.

Names of individuals residing in emergency or transitional housing is exempt from disclosure.

Amended Bill Compared to Substitute Bill: Minor technical changes are made. Information available under the Public Disclosure Act may be disclosed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Excise tax law is clear on confidentiality. Information obtained for property taxes has been maintained as confidential, but we want to make the law clear.

Testimony Against: This may prevent disclosure of information that would help to see if taxpayers were being treated fairly by the Department of Revenue.

Testified: PRO: Jim Hedrick, Department of Revenue; CON: Rowland Thompson, Allied Daily Newspapers of Washington.