

# FINAL BILL REPORT

## ESSB 5574

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### FULL VETO

As Passed Legislature

**Brief Description:** Instituting property tax reform.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senator Horn).

**Senate Committee on Ways & Means**

**Senate Committee on Government Operations**

**House Committee on Finance**

**Background:** When property is revalued, the county assessor sends a notice of the revaluation to the taxpayer. In most cases, this is the bank or mortgage company holding the note on the property. The taxpayer, upon the written request of the assessor, must provide the assessor with the name of the person making the payments within 30 days of the request. A notice is then also sent to this person. Willful failure to comply is subject to a civil penalty of up to \$5,000.

Property taxes are collected by the county treasurer. Tax statements are sent to the taxpayer who appears on the tax rolls. This is generally the mortgage company. The property owner does not receive a copy. The following information is required on the tax statement: the value of the real and personal property, the amount of current and delinquent property tax, and the name and amount for each district levying a tax. The state property tax levy is shown on property tax statements as being for the support of common schools.

Ballot propositions submitted to the voters for excess levies are required to set forth the amount in terms of dollars to be raised, together with an estimate of the dollar tax rate necessary to produce the dollar amount.

Property taxes are due April 30 each year. If one half the tax is paid by April 30, the other half is due October 31. However, if the first half is not made on time, the entire tax is delinquent and interest is charged at the rate of 12 percent per year (1 percent per month).

**Summary:** A taxpayer who only holds a security interest in property must supply the county assessor with the name of the person making payments for property tax purposes under the security interest. Willful failure to comply is subject to a \$5 civil penalty per parcel, per year, up to \$5,000. The revaluation notice sent to the taxpayer must contain a statement informing the taxpayer that the taxpayer may call the county to request a copy of the property tax statement. The copy of this notice must clearly state in bold-face type that it is not a bill and is for informational purposes only. The revaluation notice must also contain a statement that information concerning the zoning and other land use restrictions on the property may be obtained by calling the city or county planning department.

The information required on the property tax notice mailed to the taxpayer is expanded. The tax notices must also include the property address if one exists, or the abbreviated legal description and current billing information containing each type of taxing jurisdiction levying a tax on the identified parcel, and the total amount due for each type of taxing jurisdiction. The expanded information need not appear on the property tax notice until after a major change in data systems or software used by the treasurer or until tax year 2003, whichever is earlier. Of the total amount due for each type of jurisdiction, the statement must show what is due as a result of regular property taxes, expressed as a dollar amount, and what is due as a result of voter-approved levies, including special levies and assessments, expressed as a dollar amount. In any county where the county treasurer includes multiple parcels of land on a combined tax statement to a single owner, the county treasurer is exempt from these requirements. However, a taxpayer may request a separate tax statement on any or all parcels. The name of the state property tax levy for the support of the common schools is entitled State Property Tax Levy— and the property tax notice must not indicate its use for the support of the common schools.

Ballot propositions submitted to the voters for regular or excess levies are required to set forth the amount in terms of dollars to be raised, an estimate of the dollar tax rate necessary to produce the dollar amount, an estimate of the total tax liability for \$100,000 of taxable value, and a statement of the proposed uses of the tax levies. If the levy is for more than one year, the proposition must state this information for each year of the levy. The ballot proposition must also contain a statement as to whether a proposed levy is a new levy or a replacement levy, and if a replacement levy, an estimate of the proposed increase or decrease of the dollar amount of the tax levy.

The tax bill is separated into a first half payment due April 30 and a second half-payment due October 31. If the first half-payment is not made on time, only that portion of the tax is delinquent rather than the entire tax bill. Interest and penalties on the first half taxes are due on October 31.

The act applies to 1998 taxes and thereafter.

**Votes on Final Passage:**

Senate	49	0	
House	90	7	(House amended)
Senate			(Senate refused to concur)

Conference Committee

House	89	0
Senate	43	1