

HB 1455

Bill Analysis

February 9, 1999

Brief Description: Correcting errors related to property tax levies.

Bill Sponsors: Representatives Ericksen, Lovick and Barlean; by request of Department of Revenue.

Brief Summary of Bill

- Requires county assessor to correct errors in the determination of the property taxes.
- Requires county treasurer to correct errors in the distribution of property taxes to taxing districts.

Staff: Rick Peterson, 786-7150.

Background:

Property taxes are imposed by the state and local governments. The county assessor determines assessed value for each property. The county assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district. The assessor calculates the rate so that the individual district rate limit, the district revenue limit, and the aggregate rate limits are all satisfied. The assessor delivers the county tax roll to the treasurer. The county treasurer collects property tax based on the tax roll starting February 15 each year. The county treasurer makes monthly distributions of the property taxes to the taxing districts.

Summary of Bill:

Assessors are required to correct errors that resulted in all taxpayers within a district paying an incorrect amount of property tax. The correction is made in the property tax for the taxing district in the following year. For large adjustments, the governing body of the district may choose to phase in the adjustment over 3 years. Corrections are limited to taxes no more than 3 years old.

Treasurers are required to correct errors in the distribution of property tax receipts to taxing districts. Adjustments are made in the following year. If the adjustment is large it may be taken over a 3 year period. Corrections are limited to distributions made within the prior three years.

These changes are effective January 1, 2000.

Appropriation: None.

Fiscal Note: Requested.

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