

# HOUSE BILL REPORT

## SSB 5638

---

---

**As Reported by House Committee On:**  
Local Government & Housing

**Title:** An act relating to county treasurer technical corrections.

**Brief Description:** Making technical corrections to county treasurer statutes.

**Sponsors:** By Senate Committee on State & Local Government (originally sponsored by Senators Gardner, Swecker and Snyder).

**Brief History:**

**Committee Activity:**

Local Government & Housing: 3/22/01, 3/29/01 [DPA].

**Brief Summary of Substitute Bill**  
**(As Amended by House Committee)**

- Repeals the exemption from property taxes for property valued at \$500 or less.
- Specifies that county road district taxes that are delinquent after annexation by a city or town are paid to the county road fund.
- Makes numerous changes relating to miscellaneous county treasurer statutes.
- Removes the county obligation to use property transferred from a dissolved special purpose district for the purposes for which the district used the property, and removes county responsibility for the obligations or liabilities of the district.
- Authorizes the county storm drainage and surface water management utility to determine to modify or cease operations and remove facilities of a dissolved drainage district or drainage improvement district.

---

### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** Do pass as amended. Signed by 12 members: Representatives Dunshee, Democratic Co-Chair; Mulliken, Republican Co-Chair; Edwards, Democratic Vice Chair; Mielke, Republican Vice Chair; Berkey, Crouse, DeBolt, Dunn, Edmonds,

Hatfield, Jarrett and Kirby.

**Staff:** Scott MacColl (786-7106).

**Background:**

County road districts that have territory annexed to a city or town where taxes have been levied but not collected, the uncollected revenue is transferred to the city or town road fund.

County treasurers have duties specified in statute, including collecting taxes and depositing monies with the state, maintaining financial records to account for and pay bonded indebtedness, and the following specific examples relating to county treasurer statutes:

- the county treasurer collects all state deferred property taxes and deposits the money with the Department of Revenue within 30 days;
- short term obligations issued by local governments are authorized by ordinance, and may designate a paying agent to sell and deliver the short-term obligation. If issued by the county, the county treasurer is required to be the paying agent;
- counties are allowed six months to dispose of foreclosed property by private negotiation in cases where no acceptable bids were received at attempted public auctions for that property;
- when valuing and assessing divided property, a subdivision means a division of land into two or more lots; and
- property valued at less than \$500 is exempt from the tax rolls.

---

**Summary of Amended Bill:**

This bill makes changes relating to county treasurer statutes: 1) repealing the exemption from property taxes for property valued at \$500 or less; 2) specifying that county road district taxes that are delinquent after annexation by a city or town are paid to the county road fund; and 3) making numerous changes relating to county treasurer statutes.

Those changes relating to various county treasurer statutes specify that:

- counties are allowed twelve months to dispose of foreclosed property by private negotiation in cases where no acceptable bids were received at attempted public auctions for that property;

- the definition of a bond for state and local government bonds is clarified to specifically include capital leases as related to short term obligations. Also, a clarification is made to state that only those municipalities and taxing and assessment districts in which the county treasurer is not the designated treasurer by law may designate a paying agent when issuing short term obligations;
- additional clarifications are made regarding the county and those taxing districts for which the county treasurer is the designated treasurer. The treasurer must be notified 30 days in advance of issuing short term obligations, and the treasurer is required to be the paying agent for those districts;
- the State Department of Revenue is designated to collect deferred taxes from the senior citizen deferral program. In the event the debt becomes delinquent, the county treasurer collects the delinquent taxes;
- when valuing and assessing divided property, a subdivision also means boundary line adjustments between two parcels; and
- many gender specific references are made gender neutral.

Special district dissolution procedures are clarified to state that on the day the district ceases to exist, the authority and obligation to carry out the purposes of the district also cease. When properties are transferred to counties as a result of a dissolved special purpose district, the county treasurer is notified, and the county is not required to use real property or improvements for the purposes that the district was created, nor does the county assume the obligations or liabilities of the dissolved district as a result of the transfer.

Suspension procedures for a diking, drainage, or flood control district are amended to state that the county legislative authority must submit a copy of the suspension resolution to the county treasurer, and that no special district that owns drainage or flood control improvements may be suspended unless the county accepts responsibility for operation and maintenance of the improvements during the suspension period. The diking and drainage or drainage improvement district alternative dissolution method is modified to state that the county storm drainage and surface water utility must notify the county treasurer when assuming responsibility for paying the debts of the district, and also has authority to modify, cease the operation of, and/or remove all facilities or improvements to real property of the dissolved district.

#### **Amended Bill Compared to Substitute Bill:**

County road district taxes that are delinquent after annexation are paid to the county and deposited into the county road fund.

Special district dissolution procedures are clarified to state that on the day the district ceases to exist, the authority and obligation to carry out the purposes of the district also cease. When properties are transferred to counties as a result of a dissolved special purpose district, the county treasurer is notified, and the county is not required to use real property or improvements for the purposes that the district was created, nor does the county assume the obligations or liabilities of the dissolved district as a result of the transfer.

Suspension procedures for a diking, drainage, or flood control district are amended to state that the county legislative authority must submit a copy of the suspension resolution to the county treasurer, and that no special district that owns drainage or flood control improvements may be suspended unless the county accepts responsibility for operation and maintenance of the improvements during the suspension period. The diking and drainage or drainage improvement district alternative dissolution method is modified to state that the county storm drainage and surface water utility must notify the county treasurer when assuming responsibility for paying the debts of the district, and also has authority to modify, cease the operation of, and/or remove all facilities or improvements to real property of the dissolved district.

---

**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** The treasurers association has an amendment for Section 1 and 2: the cities and the treasurers reached agreement that the counties are only looking to retain the delinquent taxes when a city annexes a county road district. Section 18 of the bill refers to parcels valued at less than \$500. The treasurers found out that counties had to make assessments anyway, even if they could not collect the money. Also, small districts like wheat and storm districts lose significant portions of their revenue if those parcels are exempt.

Section 15 refers to senior citizen exemptions that are paid by the state, in which the county collects but then pays to the state. The association would like to remove themselves as the middleman, and have the citizens send their deferral directly to the Department of Revenue.

**Testimony Against:** None.

**Testified:** Rose Bowman, Lewis Co Treasurer/Chair of the WACO Treasurers Association; and Phil Sanders, King County.

