

HOUSE BILL REPORT

HB 1564

As Reported by House Committee On:
Local Government

Title: An act relating to clarifying county treasurer fiscal provisions.

Brief Description: Clarifying county treasurer fiscal provisions.

Sponsors: Representatives Alexander, Fromhold, Mielke, Kessler and Buck.

Brief History:

Committee Activity:

Local Government: 2/13/03, 2/24/03 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">· Modifies various county treasurer provisions.
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HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Romero, Chair; Upthegrove, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Berkey, Clibborn, Edwards, Ericksen, Mielke and Moeller.

Staff: Amy Wood (786-7127).

Background:

The county treasurer (treasurer) operates under the authority of various state statutes concerning aspects of receiving, processing, and disbursing funds. The treasurer is the custodian of the county's money and the administrator of the county's financial transactions. In addition to services for the county, the treasurer provides financial services to special purpose districts and other units of local government, including the responsibility to receipt, disburse, invest, and account for the funds of each of these entities. The treasurer receives and disburses funds, invests funds held, and maintains financial records in accordance with accepted accounting principles. The treasurer is also responsible for the collection of various taxes, including legal proceedings to collect past due amounts. The treasurer has other miscellaneous duties such as conducting bond sales

and sales of surplus county property.

Summary of Substitute Bill:

Section 1: The person authorized to establish lines of credit and to pay interest and other finance or service charges for local governments is changed from "fiscal officer" to "treasurer." "Treasurer" is defined in the chapter, whereas "fiscal officer" is not defined.

Section 2: If personal property is sold at auction, any outstanding property taxes will become an automatic lien against the proceeds of the auction, and will be remitted to the treasurer. If any proceeds are distributed in violation of this section, the seller or agent of the seller will be liable for all taxes, interest, and penalties owed to the treasurer.

Section 3: Prohibits real property from being divided until all current year taxes and any delinquent taxes are paid in full.

Section 4: At any time the day before a foreclosure sale of real property, any person owning a "recorded" interest in property may pay the taxes, interest, and cost due to the treasurer.

Section 5: Following a foreclosure sale, the treasurer must refund any amount in excess of the minimum bid price to the record owner of the property. The record owner of the property is the person who held title on the date of issuance of the certificate of delinquency. Any assignments of interests, deeds, or other documents executed or recorded after the certificate of delinquency was filed by the treasurer shall not affect the payment of excess funds to the record owner.

Sections 6 & 7: If the treasurer issues a refund that includes interest, the treasurer shall have the authority not only to remove the amount of the overpaid tax but also the interest from the state or the county general fund in the same proportion as it was paid.

Substitute Bill Compared to Original Bill:

The original bill prohibited any person from removing personal property that is subject to tax liens from the county. The substitute requires only that any outstanding taxes paid become an automatic lien against the proceeds of an auction. If any proceeds are distributed in violation of this section, the seller or agent of the seller will be liable for all taxes, interest, and costs due to the treasurer.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill is a culmination of changes in the law that will assist county treasurers to operate in a more effective manner. The bill clarifies what a fiscal officer is; requires that proceeds from an auction go to cover the lien first; clarifies that all current year taxes be paid in full before an assessor can approve a property that has an undivided interest; clarifies that only a person with a recorded interest or their notarized agent may pay taxes; specifies that if an owner assigns his interest after the certificate of delinquency is filed the treasurer still pays all proceeds to the owner, not an individual collector; and clarifies that all interest on refunds is proportionately charged back to the appropriate taxing district.

Testimony Against: None.

Testified: Rep. Alexander, prime sponsor; and Rose Bowman and Ron Strabbing, Washington State Association of County Treasurers.