

FINAL BILL REPORT

SHB 2878

C 79 L 04

Synopsis as Enacted

Brief Description: Making changes to county treasurer statutes.

Sponsors: By House Committee on Local Government (originally sponsored by Representatives Romero, Alexander and Hunt).

House Committee on Local Government

Senate Committee on Government Operations & Elections

Background:

Authority and duties of county treasurer. The county treasurer (treasurer) operates under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. The treasurer is the custodian of the county's money and the administrator of the county's financial transactions. In addition to his or her duties relating to county functions, the treasurer provides financial services to special purpose districts and other units of local government, which include responsibility for the receipt, disbursement, investment and accounting of the funds of each of these entities. The treasurer is also responsible for the collection of various taxes, including legal proceedings to collect past due amounts. Furthermore, the treasurer has other miscellaneous duties such as conducting bond sales and sales of surplus county property.

Personal property tax assessments. State law allows property taxes to be levied on broad categories of personal property owned by commercial and business interests. The county assessor is required to make a list of all persons in the county that are subject to the assessment of such personal property taxes. The listed persons must, in turn, make detailed written disclosures to the assessor regarding the personal property that is subject to assessment. A person who fails or refuses to make the requisite disclosures may be subject to monetary penalties which are added to the amount of the tax assessed against the taxpayer. Such penalties are collected in the same manner as the underlying tax.

Personal property tax liens. Taxes owed on personal property are treated as a lien upon the property subject to taxation. In any determination of the legal rights of various creditors who may have claims relating to personal property that is subject to a tax lien, the satisfaction of the tax lien has priority over the satisfaction of a mortgage, judgment, debt, or other legal obligation. Until such time as the taxes and interest are paid in full, it is unlawful for a person to remove from the county any property that is subject to a tax lien.

Summary:

Disposition of a decedent's unclaimed property. The responsibility for the public auctioning of unclaimed property found upon the body of decedent is shifted from the county treasurer to

the county coroner. The coroner is required to comply with specified procedures with respect to the disposition of unclaimed property, other than money, found upon the body of a decedent.

Administration of county investment pool. The county treasurer may, without regard to budget limitations, use funds deducted from an authorized county investment pool to create a revolving fund to pay the administrative costs of running the pool.

Back taxes owed on destroyed mobile home or trailer. Upon a property owner's filing of the requisite affidavit with the county assessor attesting to the destruction of a mobile home or trailer, the mobile home or trailer must be removed from the tax rolls and any outstanding taxes must be removed by the treasurer.

Distribution of personal property tax penalties. The penalties collected for failure to meet disclosure requirements with respect to taxable personal property must be distributed by the county treasurer in the same manner as other property tax interest and penalties.

Personal property subject to tax liens. A technical amendment is made to the language of the personal property tax lien statute so as to delete the word "priority" from the phrase "priority lien." This amendment makes the language of the statute consistent with other internally-referenced statutes pertaining to the creation and enforcement of tax liens.

Real property tax foreclosure proceedings. The law relating to real property tax foreclosures is clarified by specifying that:

- prior to refunding excess funds derived from a real property tax foreclosure sale, a county treasurer is responsible for paying only those water-sewer district liens that are "recorded"; and
- if no claim is made for excess tax foreclosure sale funds during the three-year period following such sale, all claims to such funds by property owners are extinguished.

Excise tax assessments. Certain municipalities are allowed to impose an excise tax for the furnishing of lodging at a rate not exceeding the rate imposed by the municipality as of January 31, 1999. The effect of this amendment is to extend the date used as a reference point for determining the maximum tax rate from January 1, 1999, to January 31, 1999.

The provision governing excise taxes on lodging is amended to specify that all of the provisions in certain sections of the state excise tax code, relating to the procedures and schedules for the collection of excise taxes, apply to excise taxes on lodging.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2004