

HOUSE BILL REPORT

HB 1149

As Passed House:

January 18, 2008

Title: An act relating to eliminating advance property tax payments for binding site plans.

Brief Description: Eliminating advance property tax payments for binding site plans.

Sponsors: By Representatives O'Brien, Dunn, McCune, Wallace and Simpson.

Brief History:

Committee Activity:

Local Government: 1/18/07, 1/23/07 [DP].

Floor Activity:

Passed House: 1/29/07, 97-0.

Floor Activity:

Passed House: 1/18/08, 97-0.

Brief Summary of Bill

- Allows "binding site plans" to be filed without an advance property tax deposit being made to the county treasurer.
- Exempts "binding site plans" from certain tax assessment procedures applicable to plats following filing.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Simpson, Chair; Eddy, Vice Chair; Curtis, Ranking Minority Member; Ross, B. Sullivan and Takko.

Staff: Thamas Osborn (786-7129).

Background:

State Regulation of Land Division Methods

State law (the "Subdivision Act") provides a regulatory scheme containing substantive and procedural requirements governing how local governments administer the division of land

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within their jurisdictions. The Subdivision Act describes the ways in which land may be divided and provides procedural rules that must be followed by local governments during the land division process. Local governments, in turn, implement local land division ordinances in accordance with the regulatory framework provided by the Subdivision Act.

Typically, land is divided into "subdivisions," consisting of five or more lots/parcels, or "short subdivisions," consisting of four or fewer lots/parcels. Such subdivisions are recorded on a "plat," which is a specialized map containing a schematic representation showing how a subdivision is to be divided into lots, blocks, streets, alleys, and other types of divisions. The Subdivision Act contains general requirements for platting procedures which must be followed by local governments in creating their platting ordinances.

Binding Site Plans

The Subdivision Act creates an exception to state platting requirements called a "binding site plan," which local governments may adopt as an alternative means of land division for certain types of development projects. The legal definition of "binding site plan" is as follows:

"Binding site plan" means a drawing to a scale specified by local ordinance which: (a) identifies and shows the areas and locations of all streets, roads, improvements, utilities, open spaces, and any other matters specified by local regulations; (b) contains inscriptions or attachments setting forth such appropriate limitations and conditions for the use of the land as are established by the local government body having authority to approve the site plan; and (c) contains provisions making any development be in conformity with the site plan.

Some local governments allow developers to file a binding site plan, as opposed to a plat, so as to allow greater flexibility in planning for certain types of development. However, under the Subdivision Act binding site plans can be used as an alternative means of land division with respect to only three categories of land use:

- (1) commercially or industrially zoned property;
- (2) mobile home or travel trailer sites; and
- (3) certain types of condominium developments.

Collection of a Property Tax-Related Deposits Following Land Division

Any person who files a plat or binding site plan after May 31 in any year, and prior to the date of the collection of taxes in the ensuing year, must provide the county treasurer with an advance deposit on the next year's property taxes calculated in accordance with a specified formula. Following the filing of the plat or binding site plan, the county assessor must "carefully investigate and ascertain the true and fair value of each lot" and then use this assessment as the basis for the property tax levy rate. When property taxes become due in the ensuing year, the county treasurer must apply the advance tax deposit to the payment of the taxes due and refund any portion of the deposit in excess of the tax levy rate.

Summary of Bill:

References to a "binding site plan" are deleted from statutes requiring the payment of advance tax deposits and requiring certain tax assessment procedures related to the filing of a plat. The recording of a binding site plan is no longer conditioned on an advance property tax deposit being made to the county treasurer.

The recording of a "binding site plan" no longer triggers certain tax assessment procedures applicable to properties identified in a plat, replat, or altered plat.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony: (In support) The passage of this bill would promote the development of manufactured housing communities. It is difficult to develop such communities because their creation requires large blocks of land and because of the tax consequences associated with the filing of a binding site plan. This bill provides an economic incentive for such development because it eliminates the requirement that advance tax payments be made following the filing of a binding site plan. The bill does not eliminate or reduce the tax obligations of developers using binding site plans. Rather, it merely allows manufactured housing community developers to avoid advance tax payments.

(Opposed) None.

Persons Testifying: John Woodring, Manufactured Housing Committee.

Persons Signed In To Testify But Not Testifying: None.