

# SENATE BILL REPORT

## SB 6234

---

---

As of January 28, 2008

**Title:** An act relating to authorizing periodic property tax payments by electronic funds transfer.

**Brief Description:** Authorizing periodic property tax payments by electronic funds transfer.

**Sponsors:** Senators Zarelli, Hatfield and Oemig.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/28/08

---

### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Khalia Gibson (786-7460)

**Background:** Current law permits the payment of excise taxes to the department of revenue by electronic funds transfer. RCW 82.32.085 provides that the department of revenue must adopt necessary rules to implement provisions which would allow for the payment of certain taxes by electronic funds transfer. Currently, there is no provision directly permitting the payment of property taxes by electronic funds transfer.

Property tax payments are paid to the county treasurer of the county in which the property is located. The current property tax payment schedule allows for up to two payments per year to be made. So long as one half of the total tax due is paid by April 30th, the remaining balance may be paid on or before October 31st.

**Summary of Bill:** A county legislative authority has discretion to authorize property tax payments by electronic funds transfer. The payments may be made on a monthly, quarterly, semiannual, or other periodic basis that the county legislative authority deems proper.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill provides a more affordable method to pay property tax. The county authority has discretion to accept electronic funds transfer as an alternate way to pay taxes. The bill does not deal with credit card payments because there are separate fees attached. The language is purely permissive, allowing the county the option of whether to accept this form of payment. The L

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

egislature is accountable to the public, and this bill is in the public's best interest.

CON: A county ordinance should not be able to override state law. We must ensure that this does not become a mandate, and remains discretionary. There are currently eleven counties that accept the automatic clearinghouse (ACH) method of payment for property taxes. The ACH method is very high maintenance because people close accounts and do not inform the county, then the property owner must be tracked down for payment. Currently, a property owner may either pay by phone, or go online and pay by electronic check or credit card in many counties. If more than two payments per year were allowed, computer systems would have to be changed to accommodate the additional payments. There is a major concern with the administrative complexity of more than two payments as an option. Small counties focus all of their staff on collecting payments twice per year already, allowing more payments would require more employee time to process them. It would be burdensome for lenders to track payment schedules for all counties, and multiple payment systems would be a nightmare. An alternative is to make the option only applicable to people who do not have mortgage or other loan obligations on their property.

**Persons Testifying:** PRO: Senator Joseph Zarelli, prime sponsor.

CON: Rose Bowman, Lewis County Treasurer; Gary Gardner, Boeing Employees' Credit Union; Brad Tower, Community Bankers of Washington.