
Finance Committee

HB 2513

Brief Description: Modifying collection dates for property taxes paid through escrow.

Sponsors: Representatives S. Hunt, Takko, Tharinger, Reykdal and Haigh.

Brief Summary of Bill

- Requires one-half of the second-half property tax bill to be paid by July 31 for property taxes paid through an escrow account.

Hearing Date: 2/6/14

Staff: Jeff Mitchell (786-7139).

Background:

Property tax statements are mailed by the county treasurer in February of each year. To avoid interest and penalties, at least half of the amount due must be paid by April 30 (if the tax is less than \$50 it must be paid in full by April 30) and the balance is due by October 31. A person can pay property taxes in person or by mail. Some counties are now accepting electronic payments via the county treasurer website. Many lending companies pay the property tax for the homeowner from a property tax reserve account. In this case, tax statements are sent directly to the lending company.

If the current year first-half taxes are not paid by April 30, the entire tax amount becomes delinquent. Interest and penalty amounts on delinquent first half taxes are calculated on the entire year's tax amount. Interest is charged at one percent per month on the full amount due from the month of delinquency to the month of payment. A three percent penalty is also imposed on the unpaid amount of current taxes on June 1 with an additional eight percent on the unpaid amount of current taxes as of December 1.

Summary of Bill:

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.

The property tax payment due date for property tax payments normally due by the end of October, is moved up to the end July. More specifically, one half of the property tax payment that would otherwise be due by the end of October is instead due by the end of July. This July payment date applies only if the property owner's property taxes are held in an escrow account by a financial institution. A county legislative authority must authorize the use of the alternate payment date.

Appropriation: None.

Fiscal Note: Available.

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