

SENATE BILL REPORT

EHB 1367

As Reported by Senate Committee On:
Governmental Operations, February 27, 2014

Title: An act relating to assessments for nuisance abatement in cities and towns.

Brief Description: Authorizing assessments for nuisance abatement in cities and towns.

Sponsors: Representatives Kirby, Jinkins, Crouse, Green, Fey, Sawyer, Kochmar, Fitzgibbon and Pollet.

Brief History: Passed House: 2/13/14, 62-35.

Committee Activity: Governmental Operations: 2/27/14 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators Hasegawa, Ranking Member; Conway, McCoy and Rivers.

Minority Report: Do not pass.

Signed by Senators Benton, Vice Chair; Dansel.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach, Chair.

Staff: Sam Thompson (786-7413)

Background: Cities and towns may determine, by ordinance, what constitutes a nuisance and remove nuisances through a procedure called abatement. A city may, for example, determine that piling of garbage on residential property constitutes a nuisance. If a landowner then piles garbage on residential property, the city may request the landowner to abate, i.e. remove, the garbage. If the landowner does not do so, the city may do so and request the landowner to pay the city's abatement costs. If the landowner does not pay the city's costs, the city may file a lien against the property to recover its abatement costs. This lien is junior in rank to tax liens.

Counties have similar authority, but may levy special assessments on property to recover their nuisance abatement costs. The assessment constitutes a priority lien, of equal rank with tax liens.

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.

Summary of Bill (Recommended Amendments): Cities and towns are granted authority to levy special assessments on property to recover their nuisance abatement costs. A city or town exercising its nuisance abatement authority must notify the property owner by regular mail that abatement is pending and that a special assessment may be levied to recover abatement costs. Before levying a special assessment, the city or town must notify the property owner and any identifiable mortgage holder by regular mail of the special assessment. The special assessment constitutes a lien of equal rank with tax liens.

A city or town may contract with the county treasurer to collect the special assessments. The contract may provide for notice on a property tax statement or a separate notice. A county treasurer may impose an annual collection fee not exceeding 1 percent of special assessments collected.

EFFECT OF CHANGES MADE BY GOVERNMENTAL OPERATIONS COMMITTEE (Recommended Amendments): A city or town may contract with the county treasurer to collect special assessments for nuisance abatement costs. The contract may provide for notice on a property tax statement or a separate notice. A county treasurer may impose an annual collection fee not exceeding 1 percent of special assessments collected.

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 on Engrossed House Bill: PRO: This bill makes certain city nuisance abatement provisions the same as county provisions. It includes procedural safeguards. A proposed amendment could enable a city to work with a county treasurer to collect abatement assessments. Abatement costs average \$2,500 but may be as high as \$17,000 and a city may not be reimbursed. A city must receive authorization from a court before imposing a lien, and justify the amount of the lien. Nuisances can dramatically affect property values and raise serious health and safety issues. Cities should be granted priority liens to recover nuisance abatement costs paid by taxpayers.

CON: Cities should not have priority liens for nuisance abatement costs, ahead of liens held by other parties, including banks, contractors, and individuals such as ex-spouses following a divorce. Junior lienholders may be unable to recover any money after foreclosure proceedings.

Persons Testifying: PRO: Representative Kirby, prime sponsor; Briahna Taylor, Tacoma, Spokane Valley, Gig Harbor; Arne Woodard, Spokane Valley Deputy Mayor; Cary Driskell, Spokane Valley City Attorney.

CON: Brad Tower, Community Bankers of WA.