

# SENATE BILL REPORT

## SB 5503

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As of February 21, 2013

**Title:** An act relating to payment of delinquent property taxes.

**Brief Description:** Concerning payment of delinquent property taxes.

**Sponsors:** Senators Roach, Delvin, Litzow, Fraser, Conway, Sheldon, Shin and Padden.

**Brief History:**

**Committee Activity:** Governmental Operations: 2/14/13.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Sam Thompson (786-7413)

**Background:** Taxpayers must pay property taxes to county treasurers by April 30. However, if taxes and assessments on property total at least \$50, taxpayers may pay one half of the total on or before April 30 and the remainder on or before October 31. If a taxpayer misses the April 30 deadline, taxes are delinquent and interest is charged at the rate of 12 percent per year – 1 percent per month. A penalty of 3 percent is assessed on taxes delinquent on June 1. An additional penalty of 8 percent is assessed on taxes delinquent on December 1.

County treasurers are not authorized to accept partial payment of delinquent property taxes.

**Summary of Bill:** A county legislative authority may establish, by ordinance, a program enabling taxpayers to make partial payments of delinquent property taxes on a monthly or quarterly basis. Partial payments of delinquent property taxes:

- must first be applied to any interest and penalties imposed, then applied to delinquent taxes – any remaining delinquent taxes are subject to interest and penalties;
- within a 12-month period, must equal or exceed one year's delinquent taxes, interest, and penalties;
- may be collected by electronic bill presentment and payment; and
- may not be made after foreclosure or distraint proceedings have been initiated to collect delinquent taxes.

**Appropriation:** None.

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*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.*

**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: Of the five bills introduced this session enabling taxpayers to make partial payments toward delinquent property taxes, this bill would be the easiest to implement. It provides necessary flexibility.

OTHER: Certain penalties for late payment should be eliminated. Electronic payment should be allowed. Idaho already allows partial payment of delinquent taxes.

**Persons Testifying:** PRO: Shawn Myers, Thurston County Treasurer; Monty Cobb, WA Assn. of County Officials.

OTHER: Rob Chase, Spokane County Treasurer.