

SENATE BILL REPORT

SB 5503

As Reported by Senate Committee On:
Governmental Operations, 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, 2/21/13 [DPS].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 5503 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Braun, Conway, Fraser and Rivers.

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 (Recommended Substitute): A county treasurer may establish 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, within a 12-month period, equal or exceed one year's delinquent taxes, interest, and penalties;
- may be collected by electronic bill presentment and payment; and

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- may not be made after foreclosure or distraint proceedings have been initiated to collect delinquent taxes.

EFFECT OF CHANGES MADE BY GOVERNMENTAL OPERATIONS COMMITTEE (Recommended Substitute): The recommended substitute bill: provides that a county treasurer, rather than a county legislative authority, may establish such a program; deletes language requiring that partial payments be first applied to any interest and penalties imposed, then to delinquent taxes, with remaining delinquent taxes subject to interest and penalties.

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 Original Bill: 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.