

SENATE BILL REPORT

SB 6289

As of January 29, 2014

Title: An act relating to allowing county treasurers to accept partial payments of property taxes in any amount at any time without previous agreement if payments are made by electronic payment and subjecting certain interest, penalties, and costs associated with delinquent property tax payments to usury limitations.

Brief Description: Allowing county treasurers to accept partial payments of property taxes in any amount at any time without previous agreement if payments are made by electronic payment and subjecting certain interest, penalties, and costs associated with delinquent property tax payments to usury limitations.

Sponsors: Senators Baumgartner and Benton.

Brief History:

Committee Activity: Governmental Operations: 1/30/14.

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 total \$50 or more, taxpayers may pay one-half of the total by April 30 and the remainder by 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, or 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.

A 2013 act enabled county treasurers to authorize payment of past-due property taxes, penalties, and interest on a monthly basis by electronic funds transfer. If a taxpayer is successfully participating in a payment agreement, the county treasurer may not assess additional penalties on delinquent taxes included in the payment agreement. Payments on past-due taxes must include collection of taxes from the oldest delinquent year, which includes interest and taxes within a 12-month period. A county treasurer may add a delinquent tax collection charge for costs incurred by the treasurer.

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.

State usury laws generally limit interest to the higher of 12 percent per annum or four percentage points above the average bill rate for 26-week U.S. treasury bills. Usury limits do not apply to interest, penalties, or costs imposed on delinquent property taxes.

Summary of Bill: A county treasurer may accept partial payment of current and delinquent taxes, including interest and penalties, of any amount at any time without previous agreement if made by electronic payment.

A provision specifying that state usury limits do not apply to interest, penalties, or costs imposed on delinquent property taxes is repealed.

Appropriation: None.

Fiscal Note: Requested on January 28, 2014.

Committee/Commission/Task Force Created: No.

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