
Finance Committee

HB 1333

Brief Description: Eliminating penalties for delinquent property taxes.

Sponsors: Representatives Condotta, Ormsby, Holy, Shea, Scott and McCaslin.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Eliminates penalties for delinquent property taxes.

Hearing Date: 1/27/15

Staff: Richelle Geiger (786-7175).

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 3 percent penalty is also imposed on the unpaid amount of current taxes on June 1 with an additional 8 percent on the unpaid amount of current taxes as of December 1. Penalties are not applied if a taxpayer is successfully participating in a payment agreement with their county treasurer.

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 imposition of penalties on delinquent property taxes is eliminated. Delinquent taxes remain subject to interest.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This act applies to taxes levied for collection in 2016 and thereafter.