

# HOUSE BILL REPORT

## HB 1798

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**As Reported by House Committee On:**  
Local Government

**Title:** An act relating to eliminating the collection of anticipated taxes and assessments.

**Brief Description:** Eliminating the collection of anticipated taxes and assessments.

**Sponsors:** Representatives Takko, Griffey and Haler.

**Brief History:**

**Committee Activity:**

Local Government: 2/10/15 [DP].

**Brief Summary of Bill**

- Eliminates statutory provisions requiring collection of an advance tax on real property for taxes not yet levied and certified at the time a person records a document with the county auditor resulting in a division, alteration, or adjustment of real property boundary lines.
- Repeals the statutory requirement that an advance tax deposit be paid by persons recording plats after May 31 and prior to the date that taxes are collected.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 9 members: Representatives Takko, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzgibbon, McBride, McCaslin, Peterson and Pike.

**Staff:** Michaela Murdock (786-7289).

**Background:**

At the time of filing a plat for record, or filing any document for record with the county auditor (auditor) that results in a division, alteration, or adjustment of real property boundary lines, a certificate of payment showing that taxes and assessments on the property have been paid or discharged must also be presented. All taxes and assessments, both current and

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delinquent must be paid. Taxes not yet levied and certified must be collected as an advance tax.

Advance Tax Deposit.

Any person recording a plat after May 31 and prior to the date that taxes are collected, must pay a deposit, also referred to as an advance tax deposit, to the county treasurer (treasurer). The deposit is an amount equal to the county assessor's (assessor) latest valuation on the unimproved property in the subdivision, multiplied by the current year's dollar rate increased by 25 percent on the property platted. The treasurer's receipt is evidence of payment.

The treasurer must use the advance tax deposit to pay the taxes and assessments on the property when the levy rates are certified by the assessor. If the amount of the deposit exceeds the amount necessary to pay the taxes and assessments, the treasurer must return the excess to the depositing party.

For each lot on which an advance tax deposit has been paid, the assessor must investigate and ascertain the true and fair value of the lot, and assess the lot. The valuation and assessment must be completed by October 30 of the year following recording of the plat. The value established is the value of the lot as of January 1 of the year the original parcel was last revalued. Additional property tax is not due on the land until the calendar year following the year for which the advance tax deposit was paid, provided the deposit was sufficient to pay the full amount of taxes due on the property.

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**Summary of Bill:**

The statutory provision requiring collection of an advance tax on real property for taxes not yet levied and certified at the time a person records a document with the auditor, which results in a division, alteration, or adjustment of the real property boundary lines, is stricken. Similarly, the statutory requirement that an advance tax deposit be paid by any person recording a plat after May 31 and prior to the date that taxes are collected is repealed.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill would eliminate the real property advance tax. The tax requires property owners and land developers to pay next year's tax this year before project permits are issued. The tax is calculated at 125 percent of this year's levy rate. The tax is then placed in the treasurer's trust account until the next year when the new levy rates are certified. After

certification, the treasurer recalculates the correct tax, and if too much was collected, the excess is refunded, or if the treasurer did not collect enough, then the homeowner is billed. These upfront costs for developers are unnecessary.

The statute is fairly antiquated. At one time, requiring a prepayment of taxes may have served a purpose, but for today's modern assessment and tax collection system, this process is unnecessary.

An amendment for the bill may be requested. Another statute references provisions being repealed or stricken by the bill and it may need to be amended as well.

(Opposed) None.

**Persons Testifying:** Representative Takko, prime sponsor; Shawn Myers, County Treasurer's Association; and Monty Cobb, Washington Association of County Officials.

**Persons Signed In To Testify But Not Testifying:** None.