

SENATE BILL REPORT

SHB 1572

As of March 20, 2023

Title: An act relating to venue for actions for the recovery of taxes.

Brief Description: Concerning venue for actions for the recovery of taxes.

Sponsors: House Committee on Civil Rights & Judiciary (originally sponsored by Representatives Springer and Orcutt).

Brief History: Passed House: 3/1/23, 96-0.

Committee Activity: Law & Justice: 3/21/23.

Brief Summary of Bill

- Authorizes actions against a county for recovery of taxes paid under protest to be filed in the superior court of either of the two nearest judicial districts, but only if the action is solely against one county.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Tim Ford (786-7423)

Background: Venue is the proper or possible place for a lawsuit to proceed, usually because the place has some connection either with the events that gave rise to the litigation or with the plaintiff or defendant.

The venue statute governing claims against counties provides that legal actions against a county may be filed in the superior court of such county, or in the superior court of either of the two nearest judicial districts. In contrast, the venue statute governing tax refund claims provides that legal actions for the recovery of taxes paid under protest must be brought in the superior court of the county wherein the tax was collected or in any federal court of competent jurisdiction.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

In *Hardel Mut. Plywood Corp. v. Lewis Cty.* (2022) (*Hardel*) the Washington Supreme Court noted these two venue statutes are in tension when a tax claim is brought against a county, and found that while the county claims statute is general and permissive, the tax recovery statute is mandatory and specific. The court held that when both a general and specific statute potentially apply, it will give effect to the specific statute unless there is some indication the Legislature intended the general statute to govern. The court concluded the more specific tax recovery statute controlled and that the Legislature intended tax refund actions to be litigated in the county that collected the tax.

Summary of Bill: Legal actions against a county for recovery of taxes paid under protest may be filed in the superior court of either of the two nearest judicial districts as an alternative to filing in the county where the tax was collected or in federal court, but only if the action is solely against one county. This modification of state law abrogates the court's decision in *Hardel*. This act applies retroactively and prospectively, and further provides that any change in venue as a result of the court's decision in *Hardel* may be reversed at the motion of the plaintiff.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.