

Multiple Agency Fiscal Note Summary

Bill Number: 5714 S SB AMH LG H1746.1	Title: Property tax payments
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 3/30/2023
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Department of Revenue Fiscal Note

Bill Number: 5714 S SB AMH LG H1746.1	Title: Property tax payments	Agency: 140-Department of Revenue
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Tracey Taylor	Phone: 603-786-7152	Date: 03/29/2023
Agency Preparation: Kari Kenall	Phone: 603-534-1508	Date: 03/29/2023
Agency Approval: Valerie Torres	Phone: 603-534-1521	Date: 03/29/2023
OFM Review: Cheri Keller	Phone: (603) 584-2207	Date: 03/30/2023

Request # 5714-2-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Note: This fiscal note reflects House amendment AMH LG H1746.1 to SSB 5714, 2023 Legislative Session.

COMPARISON OF THE AMENDMENT WITH THE SUBSTITUTE BILL:

This proposed amendment clarifies payments received via the United States mail with no discernable postmark date and if received within three days of the April 30 or October 31 due dates are timely.

CURRENT LAW:

Generally, property owners pay their property taxes to the county treasurer in two payments, one-half due by April 30 and the remainder due by October 31 each year. Typically, the postmark date determines if a payment is timely or delinquent, except if the due date falls on a Saturday, Sunday, or holiday. In that case, if the postmark date is the next business day, the payment is timely. Property tax collection laws do not specify the due dates for timeliness or delinquency of payments received via an automated check processing service or when payments have no discernable postmark date.

PROPOSAL:

This bill requires county treasurers to consider property tax payments timely when generated by an automated check processing service or received via the United States mail with no discernable postmark date and if received within three days of the April 30 or October 31 due dates.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This legislation results in no revenue impact to the state property tax levy.

When a property tax payment is delinquent, penalties and interest begin to accrue. Counties keep collected penalties and interest. Any losses because of the three additional days would be minimal but indeterminate.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Revenue will have minimal costs of approximately \$2,500 for 40 hours of work by a property acquisition specialist in fiscal year 2024 to implement this legislation and will absorb within current funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5714 S SB AMH LG H1746.1	Title: Property tax payments
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: Indeterminate and minor revenue decrease for county treasurers
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Angie Hong	Phone: 360-725-5041	Date: 03/30/2023
Leg. Committee Contact: Tracey Taylor	Phone: 360-786-7152	Date: 03/29/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/30/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES FROM PREVIOUS BILL VERSION

This substitute amendment clarifies payments received via the United States mail with no discernable postmark date, and if received within three days of the April 30 or October 31 due dates, are timely.

SUMMARY OF CURRENT BILL VERSION

This bill adds detail regarding the determination of non-delinquency for certain payments received within three days (for payments made to county treasurers for property taxes or special assessments by an automated check processing service).

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

This substitute amendment does not alter the previous analysis of expenditure impact.

CURRENT BILL VERSION - EXPENDITURE IMPACT SUMMARY

This bill will not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

This substitute amendment does not alter the previous analysis of revenue impact.

CURRENT BILL VERSION - REVENUE IMPACT SUMMARY

This bill is expected to reduce the number of delinquent property tax payments indeterminately. When a property tax payment is delinquent, penalties and interest begin to accrue. Counties keep collected penalties and interest. According to the Dept. of Revenue, revenue losses due to the decrease in delinquent fees would be minimal and are indeterminate.

SOURCES

Washington Association of County Officials

Dept. of Revenue