



Legislation Text

File #: 2016-0243, **Version:** 3

A MOTION relating to a pilot program for partial payment of delinquent real property taxes.

WHEREAS, all property in Washington is subject to property tax each year based on its value, unless a specific exemption is provided by law, and

WHEREAS, the county treasurer is responsible for providing a notice of tax due to county taxpayers and collecting the tax, and

WHEREAS, county treasurers are allowed to collect taxes, assessments, fees, rates, and charges by electronic bill presentment and payment, and

WHEREAS, property taxes are due on April thirtieth each year, with the option for eligible accounts to pay one-half of the tax by April thirtieth, and the other half by October thirty-first, and

WHEREAS, a tax account becomes delinquent and subject to interest and penalties if the tax payment is not made on time, and

WHEREAS, throughout any given tax roll year there are in King County between 15,000 and 25,000 current-year delinquent real properties, between 6,000 and 12,000 prior-year delinquent real properties, and between 100 and 2,500 real properties subject to property tax foreclosure, and

WHEREAS, the county is committed to providing fairness and flexibility in the payment of real property taxes for homeowners experiencing acute financial hardship, and

WHEREAS, in the 2014 legislative session, the Washington state Legislature passed Substitute House Bill 2309, which became Chapter 13, Laws of Washington 2014, that allows county treasurers to accept partial payment of property taxes;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The executive is requested to establish a thirty-six month pilot program to allow real property taxpayers in King County, on the terms of this motion, to submit to the treasurer partial payment of delinquent real property taxes including interest and penalties.

B. The pilot program for partial delinquent real property tax payment is subject to the following:

1. The pilot program will commence on the first Monday of October 2016 and terminate the last Friday of the thirty-sixth month thereafter. The executive may recommend to continue the program permanently as described in section C. of this motion;

2. Participation in the pilot program is limited to delinquent real property tax accounts, when the real property serves as the taxpayer's primary residence. The executive may also consider whether to limit program participation to limited-income taxpayers. The executive may also consider whether to limit program participation to property in the unincorporated area which is not found in violation of any code relating to public health and safety, in accordance with K.C.C. Title 23. The executive is also encouraged to work with other municipalities within the county to incorporate additional participation criteria respective to those municipalities;

3. Partial payment of delinquent real property taxes including interest and penalties may be accepted using existing payment methods or otherwise as determined by the treasurer;

4. The executive will establish minimum payment amounts, allowable payment frequency, and a maximum allowable time for tax accountholders to become current on their delinquent real property taxes, if applicable; and

5. The executive will establish a plan for informing eligible real property tax accountholders about the pilot program and must submit a report to the council that explains the plan for informing eligible real property tax accountholders about the pilot program. The report must also explain the executive's selected approach for set up and management of the pilot program including, but not limited to, cost analysis. The executive must

file the report by October 3, 2016, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers.

C. The executive will monitor usage and costs associated with the pilot program and must submit a report to the council, twenty-four months after the program begins, that explains the most-current available information on usage and costs, including, but not limited to, program administrative costs and participation rates, including the number of payments submitted per month, an analysis of whether the pilot had an impact on the number of new delinquent taxpayers, geographic distribution of participating real property tax accountholders and average payment amount. The report must also include the executive's recommendation and decision, if applicable, on continuation of the program beyond the pilot period. The executive must file the report in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the budget and fiscal committee, or its successor.