

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

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**Action Date:** 04/22/15

**Action:** Do Pass.

**Meeting Dates:** 04/22

**Vote:**

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

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**WHAT THE MEASURE DOES:**

Establishes personal liability of lessee for property taxes related to property leased from tax exempt U.S., state or local government owner. Provides counties with means of collecting unpaid taxes from person and person's real and personal property. Requires county clerk to immediately issue writs of attachment on application by tax collector or district attorney for the county as plaintiff. Applies to property tax years beginning on or after July 1, 2015. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Collection process to focus on lessee, not the exempt owner of the property
- Much of leased property in question is related to property leased from port districts
- Clarification on whether tax is not being paid due to particulars of lease contract
- Lack of authority under existing law to collect on lessee
- Current law collection process of delinquent taxes, timing of foreclosure process.

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

If at the time a lease from an exempt government owner expires and property taxes are unpaid, a lien on the property continues to exist and delinquent interest accrues. However, because the lease has expired and the owner of the property is exempt from ad valorem taxation, no means of collection through the foreclosure process exists for county tax collectors so long as the property remains under the possession of the exempt owner.