

**HB 2277 STAFF MEASURE SUMMARY**

**Carrier:** Sen. DeBoer

**Senate Committee On Finance and Revenue**

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**Action Date:** 04/18/17  
**Action:** Do pass.  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Boquist, DeBoer, Hass, Riley, Taylor  
**Fiscal:** No fiscal impact  
**Revenue:** Revenue impact issued  
**Prepared By:** Kyle Easton, Economist

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**WHAT THE MEASURE DOES:**

Requires county governing body to credit property tax refunds first to the total tax liability account of the person to which the refund is owed. Requires refund amounts remaining after crediting total tax liability of account, to be refunded as specified in current law. Allows county governing body to authorize, upon request of owner(s) and with approval of tax collector, refunds payable under specified circumstances to be credited to total tax liability of account of requester and, in instances where refund credit remains, allows remaining refund to be credited to total tax liability of any other account. Applies to refunds payable on or after 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Hypothetical example of how refund or offset process would work if tax is owed on a different piece of property
- Example of why a refund would even exist at the same time that property taxes are outstanding
  - Generally this will occur when refund is related to a prior tax year and current year tax liability is past due
- If no outstanding tax liability exists, refund is directed to property tax owner

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Current Law

Under current law, property tax refunds are generally refunded to the owner of the taxable property or any person who holds an interest in the property that obligates the person to pay imposed property taxes. At the request of the owner, and with approval of the tax collector, the county governing body may authorize refunds payable under specified circumstances to be credited against the total tax liability of the account.

Specified circumstances include: Court decision, Department of Revenue ordered change or correction, value correction, and when taxes are collected against property not within jurisdiction of the tax levying body.

Changes to Existing Law

Measure requires specified property tax refunds to be credited to total tax liability of account. If refund credit is greater than total tax liability of account, remaining refund balance is then refunded directly to owner of taxable property. Total tax liability of account means the total amount of tax that has been extended or charged against a particular property tax account.

Measure allows refunds, at request of owner and with approval of tax collector, to be credited to the tax liability of a property tax account of the refund requester if:

- Refund results from payment made by mistake to another property, or
- Overpayment due to proration of taxes resulting from property being destroyed or damaged.