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HOUSE BILL 2592

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State of Washington                      63rd Legislature                      2014 Regular Session

By Representatives Stonier, Pike, Wylie, Harris, Fey, Orcutt, and Moeller

Read first time 01/22/14. Referred to Committee on Judiciary.

1            AN ACT Relating to county electronic public auctions; amending RCW  
2 84.64.080 and 84.64.200; reenacting and amending RCW 36.16.140; and  
3 adding new sections to chapter 84.64 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 84.64.080 and 2004 c 79 s 7 are each amended to read  
6 as follows:

7            The court (~~shall~~) must examine each application for judgment  
8 foreclosing tax lien, and if defense (specifying in writing the  
9 particular cause of objection) be offered by any person interested in  
10 any of the lands or lots to the entry of judgment against the same, the  
11 court (~~shall~~) must hear and determine the matter in a summary manner,  
12 without other pleadings, and (~~shall~~) must pronounce judgment as the  
13 right of the case may be; or the court may, in its discretion, continue  
14 such individual cases, wherein defense is offered, to such time as may  
15 be necessary, in order to secure substantial justice to the contestants  
16 therein; but in all other cases the court (~~shall~~) must proceed to  
17 determine the matter in a summary manner as above specified. In all  
18 judicial proceedings of any kind for the collection of taxes, and  
19 interest and costs thereon, all amendments which by law can be made in

1 any personal action pending in such court (~~shall~~) must be allowed,  
2 and no assessments of property or charge for any of the taxes (~~shall~~)  
3 may be considered illegal on account of any irregularity in the tax  
4 list or assessment rolls or on account of the assessment rolls or tax  
5 list not having been made, completed or returned within the time  
6 required by law, or on account of the property having been charged or  
7 listed in the assessment or tax lists without name, or in any other  
8 name than that of the owner, and no error or informality in the  
9 proceedings of any of the officers connected with the assessment,  
10 levying or collection of the taxes, (~~shall~~) must vitiate or in any  
11 manner affect the tax or the assessment thereof, and any irregularities  
12 or informality in the assessment rolls or tax lists or in any of the  
13 proceedings connected with the assessment or levy of such taxes or any  
14 omission or defective act of any officer or officers connected with the  
15 assessment or levying of such taxes, may be, in the discretion of the  
16 court, corrected, supplied and made to conform to the law by the court.  
17 The court (~~shall~~) must give judgment for such taxes, interest and  
18 costs as shall appear to be due upon the several lots or tracts  
19 described in the notice of application for judgment or complaint, and  
20 such judgment (~~shall~~) must be a several judgment against each tract  
21 or lot or part of a tract or lot for each kind of tax included therein,  
22 including all interest and costs, and the court (~~shall~~) must order  
23 and direct the clerk to make and enter an order for the sale of such  
24 real property against which judgment is made, or vacate and set aside  
25 the certificate of delinquency or make such other order or judgment as  
26 in the law or equity may be just. The order (~~shall~~) must be signed  
27 by the judge of the superior court, (~~shall~~) must be delivered to the  
28 county treasurer, and (~~shall~~) must be full and sufficient authority  
29 for him or her to proceed to sell the property for the sum as set forth  
30 in the order and to take such further steps in the matter as are  
31 provided by law. The county treasurer (~~shall~~) must immediately after  
32 receiving the order and judgment of the court proceed to sell the  
33 property as provided in this chapter to the highest and best bidder  
34 (~~for cash~~). The acceptable minimum bid (~~shall~~) must be the total  
35 amount of taxes, interest, and costs. All sales (~~shall~~) must be made  
36 at a location in the county on a date and time (except Saturdays,  
37 Sundays, or legal holidays) as the county treasurer may direct and/or  
38 including the electronic address if the intended sale is by public

1 auction via the internet or other electronic media, and (~~shall~~) must  
2 continue from day to day (Saturdays, Sundays, and legal holidays  
3 excepted) during the same hours until all lots or tracts are sold,  
4 after first giving notice of the time, and place where such sale is to  
5 take place for ten days successively by posting notice thereof in three  
6 public places in the county, one of which (~~shall~~) must be in the  
7 office of the treasurer. The treasurer may require a good faith  
8 deposit in order for an individual to participate in the auction.  
9 Deposits from a winning bidder must be applied to the balance due. If  
10 the winning bidder does not follow the terms of sale, the deposit would  
11 be forfeited and credited to the treasurer's operations and maintenance  
12 fund. Deposits for all nonwinning bids must be refunded within ten  
13 business days. The notice (~~shall~~) must be substantially in the  
14 following form:

15 TAX JUDGMENT SALE

16 Public notice is hereby given that pursuant to real property tax  
17 judgment of the superior court of the county of . . . . . in the  
18 state of Washington, and an order of sale duly issued by the court,  
19 entered the . . . . . day of . . . . ., . . . ., in proceedings for  
20 foreclosure of tax liens upon real property, as per provisions of law,  
21 I shall on the . . . . . day of . . . . ., . . . ., at . . . . o'clock  
22 a.m., at . . . . . in the city of . . . . ., and county of  
23 . . . . ., state of Washington, sell the real property to the highest  
24 and best bidder (~~for cash~~), to satisfy the full amount of taxes,  
25 interest and costs adjudged to be due.

26 In witness whereof, I have hereunto affixed my hand and seal this  
27 . . . . . day of . . . . ., . . . . .

28 . . . . .  
29 Treasurer of . . . . .  
30 county.

31 No county officer or employee shall directly or indirectly be a  
32 purchaser of such property at such sale.

33 If any buildings or improvements are upon an area encompassing more  
34 than one tract or lot, the same must be advertised and sold as a single  
35 unit.

36 If the highest amount bid for any such separate unit tract or lot  
37 is in excess of the minimum bid due upon the whole property included in

1 the certificate of delinquency, the excess (~~shall~~) must be refunded  
 2 following payment of all recorded water-sewer district liens, on  
 3 application therefor, to the record owner of the property. The record  
 4 owner of the property is the person who held title on the date of  
 5 issuance of the certificate of delinquency. Assignments of interests,  
 6 deeds, or other documents executed or recorded after filing the  
 7 certificate of delinquency (~~shall~~) do not affect the payment of  
 8 excess funds to the record owner. In the event no claim for the excess  
 9 is received by the county treasurer within three years after the date  
 10 of the sale he or she (~~shall~~) must at expiration of the three year  
 11 period deposit such excess in the current expense fund of the county  
 12 which (~~shall~~) extinguishes all claims by any owner to the excess  
 13 funds. The county treasurer (~~shall~~) must execute to the purchaser of  
 14 any piece or parcel of land a tax deed. The deed so made by the county  
 15 treasurer, under the official seal of his or her office, (~~shall~~) must  
 16 be recorded in the same manner as other conveyances of real property,  
 17 and (~~shall~~) must vest in the grantee, his or her heirs and assigns  
 18 the title to the property therein described, without further  
 19 acknowledgment or evidence of such conveyance, and (~~shall~~) must be  
 20 substantially in the following form:

21 State of Washington }  
 22 } ss.  
 23 County of .....

24 This indenture, made this . . . . day of . . . . ., . . . . .,  
 25 between . . . . ., as treasurer of . . . . . county, state of  
 26 Washington, party of the first part, and . . . . ., party of the  
 27 second part:

28 Witnesseth, that, whereas, at a public sale of real property held  
 29 on the . . . . day of . . . . ., . . . ., pursuant to a real property  
 30 tax judgment entered in the superior court in the county of . . . . .  
 31 on the . . . . day of . . . . ., . . . ., in proceedings to foreclose  
 32 tax liens upon real property and an order of sale duly issued by the  
 33 court, . . . . . duly purchased in compliance with the laws of the  
 34 state of Washington, the following described real property, to wit:

1 (Here place description of real property conveyed) and that the  
2 . . . . . has complied with the laws of the state of Washington  
3 necessary to entitle (him, or her or them) to a deed for the real  
4 property.

5 Now, therefore, know ye, that, I . . . . ., county treasurer of  
6 the county of . . . . ., state of Washington, in consideration of the  
7 premises and by virtue of the statutes of the state of Washington, in  
8 such cases provided, do hereby grant and convey unto . . . . ., his  
9 or her heirs and assigns, forever, the real property hereinbefore  
10 described.

11 Given under my hand and seal of office this . . . . day of  
12 . . . . ., A.D. . . . .

13 . . . . .  
14 County Treasurer.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.64 RCW  
16 to read as follows:

17 (1) The county treasurer may at his or her discretion accept  
18 electronic funds transfers under RCW 82.32.085 in payment for a  
19 purchase at a tax sale of any tax, assessment, fees or charges. A  
20 public auction conducted by electronic media, including internet, to  
21 sell property under this chapter must have at least the following  
22 operational components:

- 23 (a) A component that allows bids to be submitted by computer;
- 24 (b) A component that authorizes the county treasurer to accept bids  
25 for as long as he or she deems necessary.

26 (2) All property sold under this chapter is offered and sold as is.  
27 The county treasurer in preparing, conducting, and executing a sale of  
28 property under this chapter is not liable for any of the following:

- 29 (a) Known or unknown conditions of this property including, but not  
30 limited to, errors in the assessor's records;
- 31 (b) The failure of a device that is not owned, operated, and  
32 managed by the county, that prevents a person from participating in any  
33 sale under this chapter. For purposes of this subsection (2)(b),  
34 "device" includes, but is not limited to, telephone, computer hardware,  
35 a computer network, a computer software application, and a computer web  
36 site.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 84.64 RCW  
2 to read as follows:

3        The definitions in this section apply throughout this chapter  
4 unless the context clearly requires otherwise.

5        (1) "Auction" means a sale transaction conducted by means of oral  
6 or written exchanges, which include exchanges made in person or through  
7 electronic media, between an auctioneer and the members of his or her  
8 audience in person, or through the internet, which exchanges consist of  
9 a series of invitations for offers for the purchase of goods made by  
10 the auctioneer and offers to purchase made by the members of the  
11 audience and/or internet and culminate in the acceptance by the  
12 auctioneer of the highest or most favorable offer made.    Bids are  
13 placed using a computer and a web browser.

14        (2) "Close of auction" means the date and time for which the county  
15 treasurer, or his or her designee, provides public notice that bidding  
16 for that public auction will end.

17        (3) "Date of the sale" means the date upon which a public auction  
18 begins.

19        (4) "Internet tax sale" means an online public auction of tax deeds  
20 used to collect delinquent real property taxes due to a county or other  
21 taxing authority.

22        (5) "Public auction" means any venue or medium to sell property  
23 under this chapter that provides reasonable access to the public to bid  
24 on and purchase tax foreclosed property.

25        **Sec. 4.**    RCW 84.64.200 and 2007 c 295 s 7 are each amended to read  
26 as follows:

27        (~~All lots, tracts and parcels of land upon which taxes levied~~  
28 ~~prior to January 9, 1926 remain due and unpaid at the date when such~~  
29 ~~taxes would have become delinquent as provided in the act under which~~  
30 ~~they were levied shall be deemed to be delinquent under the provisions~~  
31 ~~of this title, and the same proceedings may be had to enforce the~~  
32 ~~payment of such unpaid taxes, with interest and costs, and payment~~  
33 ~~enforced and liens foreclosed under and by virtue of the provisions of~~  
34 ~~this chapter.~~)) For the purposes of foreclosure under this chapter,  
35 the date of delinquency (~~shall~~) must be construed to mean the date  
36 when the taxes first became delinquent.    At all sales of property for  
37 which certificates of delinquency are held by the county, if no other

1 bids are received, the county (~~shall~~) must be considered a bidder for  
2 the full area of each tract or lot to the amount of all taxes, interest  
3 and costs due thereon, and where no bidder appears, acquire title in  
4 trust for the taxing districts as absolutely as if purchased by an  
5 individual under the provisions of this chapter; all bidders except the  
6 county at sales of property for which certificates of delinquency are  
7 held by the county (~~shall~~) must pay the full amount of taxes,  
8 interest and costs for which judgment is rendered, together with all  
9 taxes, interest and costs which are delinquent at the time of sale,  
10 regardless of whether the taxes, interest, or costs are included in the  
11 judgment.

12 **Sec. 5.** RCW 36.16.140 and 1991 c 363 s 50 and 1991 c 245 s 3 are  
13 each reenacted and amended to read as follows:

14 Other than property tax lien sales under this chapter, public  
15 auction sales of property conducted by or for the county (~~shall~~) must  
16 be held at such places as the county legislative authority may direct.

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