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**HOUSE BILL 1332**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Sullivan, Ramel, Leavitt, Dufault, Hackney, Wylie, Santos, Ortiz-Self, Ormsby, Rule, Stokesbary, Callan, Pollet, and Macri

Read first time 01/20/21. Referred to Committee on Finance.

1 AN ACT Relating to property tax deferral during the COVID-19  
2 pandemic; amending RCW 84.56.020; creating a new section; providing  
3 an expiration date; and declaring an emergency.

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

5 **Sec. 1.** RCW 84.56.020 and 2019 c 332 s 1 are each amended to  
6 read as follows:

7 **Treasurers' tax collection duties.**

8 (1) The county treasurer must be the receiver and collector of  
9 all taxes extended upon the tax rolls of the county, whether levied  
10 for state, county, school, bridge, road, municipal or other purposes,  
11 and also of all fines, forfeitures or penalties received by any  
12 person or officer for the use of his or her county. No treasurer may  
13 accept tax payments or issue receipts for the same until the  
14 treasurer has completed the tax roll for the current year's  
15 collection and provided notification of the completion of the roll.  
16 Notification may be accomplished electronically, by posting a notice  
17 in the office, or through other written communication as determined  
18 by the treasurer. All real and personal property taxes and  
19 assessments made payable by the provisions of this title are due and  
20 payable to the county treasurer on or before the thirtieth day of

1 April and, except as provided in this section, are delinquent after  
2 that date.

3 **Tax statements.**

4 (2) (a) Tax statements for the current year's collection must be  
5 distributed to each taxpayer on or before March 15th provided that:

6 (i) All city and other taxing district budgets have been  
7 submitted to county legislative authorities by November 30th per RCW  
8 84.52.020;

9 (ii) The county legislative authority in turn has certified taxes  
10 levied to the county assessor by November 30th per RCW 84.52.070; and

11 (iii) The county assessor has delivered the tax roll to the  
12 county treasurer by January 15th per RCW 84.52.080.

13 (b) Each tax statement must include a notice that checks for  
14 payment of taxes may be made payable to "Treasurer of . . . . .  
15 County" or other appropriate office, but tax statements may not  
16 include any suggestion that checks may be made payable to the name of  
17 the individual holding the office of treasurer nor any other  
18 individual.

19 (c) Each tax statement distributed to an address must include a  
20 notice with information describing the:

21 (i) Property tax exemption program pursuant to RCW 84.36.379  
22 through 84.36.389; and

23 (ii) Property tax deferral program pursuant to chapter 84.38 RCW.

24 **Tax payment due dates.**

25 **On-time tax payments: First-half taxes paid by April 30th and**  
26 **second-half taxes paid by October 31st.**

27 (3) When the total amount of tax or special assessments on  
28 personal property or on any lot, block or tract of real property  
29 payable by one person is fifty dollars or more, and if one-half of  
30 such tax is paid on or before the thirtieth day of April, the  
31 remainder of such tax is due and payable on or before the following  
32 thirty-first day of October and is delinquent after that date.

33 **Delinquent tax payments for current year: First-half taxes paid**  
34 **after April 30th.**

35 (4) When the total amount of tax or special assessments on any  
36 lot, block or tract of real property or on any mobile home payable by  
37 one person is fifty dollars or more, and if one-half of such tax is  
38 paid after the thirtieth day of April but before the thirty-first day  
39 of October, together with the applicable interest and penalty on the  
40 full amount of tax payable for that year, the remainder of such tax

1 is due and payable on or before the following thirty-first day of  
2 October and is delinquent after that date.

3 **Delinquent tax payments: Interest, penalties, and treasurer**  
4 **duties.**

5 (5) Except as provided in (c) and (d) of this subsection,  
6 delinquent taxes under this section are subject to interest at the  
7 rate of twelve percent per annum computed on a monthly basis on the  
8 amount of tax delinquent from the date of delinquency until paid.  
9 Interest must be calculated at the rate in effect at the time of the  
10 tax payment, regardless of when the taxes were first delinquent. In  
11 addition, delinquent taxes under this section are subject to  
12 penalties as follows:

13 (a) A penalty of three percent of the amount of tax delinquent is  
14 assessed on the tax delinquent on June 1st of the year in which the  
15 tax is due.

16 (b) An additional penalty of eight percent is assessed on the  
17 delinquent tax amount on December 1st of the year in which the tax is  
18 due.

19 (c) If a taxpayer is successfully participating in a payment  
20 agreement under subsection (15)(b) of this section or a partial  
21 payment program pursuant to subsection (15)(c) of this section, the  
22 county treasurer may not assess additional penalties on delinquent  
23 taxes that are included within the payment agreement. Interest and  
24 penalties that have been assessed prior to the payment agreement  
25 remain due and payable as provided in the payment agreement.

26 (d) The interest and penalties provided in this subsection (5)  
27 are suspended during the state of emergency declared under RCW  
28 43.06.010(12) related to the novel coronavirus and for 12 months  
29 after the end of such emergency.

30 (6) A county treasurer must provide notification to each taxpayer  
31 whose taxes have become delinquent under subsections (4) and (5) of  
32 this section. The delinquency notice must specify where the taxpayer  
33 can obtain information regarding:

34 (a) Any current tax or special assessments due as of the date of  
35 the notice;

36 (b) Any delinquent tax or special assessments due, including any  
37 penalties and interest, as of the date of the notice; and

38 (c) Where the taxpayer can pay his or her property taxes directly  
39 and contact information, including but not limited to the phone

1 number, for the statewide foreclosure hotline recommended by the  
2 Washington state housing finance commission.

3 (7) Within ninety days after the expiration of two years from the  
4 date of delinquency (when a taxpayer's taxes have become delinquent),  
5 the county treasurer must provide the name and property address of  
6 the delinquent taxpayer to a homeownership resource center or any  
7 other designated local or state entity recommended by the Washington  
8 state housing finance commission.

9 **Collection of foreclosure costs.**

10 (8) (a) When real property taxes become delinquent and prior to  
11 the filing of the certificate of delinquency, the treasurer is  
12 authorized to assess and collect tax foreclosure avoidance costs.

13 (b) When tax foreclosure avoidance costs are collected, such  
14 costs must be credited to the county treasurer service fund account,  
15 except as otherwise directed.

16 (c) For purposes of chapter 84.64 RCW, any taxes, interest, or  
17 penalties deemed delinquent under this section remain delinquent  
18 until such time as all taxes, interest, and penalties for the tax  
19 year in which the taxes were first due and payable have been paid in  
20 full.

21 **Periods of armed conflict.**

22 (9) Subsection (5) of this section notwithstanding, no interest  
23 or penalties may be assessed during any period of armed conflict  
24 regarding delinquent taxes imposed on the personal residences owned  
25 by active duty military personnel who are participating as part of  
26 one of the branches of the military involved in the conflict and  
27 assigned to a duty station outside the territorial boundaries of the  
28 United States.

29 **State of emergency.**

30 (10) (~~During~~) (a) Except as provided in (b) of this subsection,  
31 during a state of emergency declared under RCW 43.06.010(12), the  
32 county treasurer, on his or her own motion or at the request of any  
33 taxpayer affected by the emergency, may grant extensions of the due  
34 date of any taxes payable under this section as the treasurer deems  
35 proper.

36 (b) Due to the state of emergency declared under RCW  
37 43.06.010(12) related to the novel coronavirus, the county treasurer  
38 shall grant extensions of the due date of any taxes payable in April  
39 2021 under this section as provided in this subsection (10)(b).

1 (i) For tax payments due in April 2021, if the owner of any lot,  
2 block, or tract of real property used for business purposes  
3 demonstrates a loss of at least 20 percent of revenue for calendar  
4 year 2020 compared to calendar year 2019 via an application provided  
5 in a form and manner by the department, the county treasurer shall  
6 grant a deferral of taxes due in April 2021. Those taxes are due and  
7 payable on or before the following 31st day of October 2021.  
8 Penalties and interest may not be assessed on taxes that are deferred  
9 under this subsection (10)(b)(i) until after they become due and  
10 payable either on or before the following 31st day of October 2021 or  
11 subject to a payment agreement under (b)(ii) of this subsection.

12 (ii) The county treasurer may enter into a payment agreement for  
13 payment of the sum of current year taxes on any properties that were  
14 granted a deferral under (b)(i) of this subsection.

15 **Retention of funds from interest.**

16 (11) All collections of interest on delinquent taxes must be  
17 credited to the county current expense fund.

18 (12) For purposes of this chapter, "interest" means both interest  
19 and penalties.

20 **Retention of funds from property foreclosures and sales.**

21 (13) The direct cost of foreclosure and sale of real property,  
22 and the direct fees and costs of distraint and sale of personal  
23 property, for delinquent taxes, must, when collected, be credited to  
24 the operation and maintenance fund of the county treasurer  
25 prosecuting the foreclosure or distraint or sale; and must be used by  
26 the county treasurer as a revolving fund to defray the cost of  
27 further foreclosure, distraint, and sale because of delinquent taxes  
28 without regard to budget limitations and not subject to indirect  
29 costs of other charges.

30 **Tax due dates and options for tax payment collections.**

31 **Electronic billings and payments.**

32 (14) For purposes of this chapter, and in accordance with this  
33 section and RCW 36.29.190, the treasurer may collect taxes,  
34 assessments, fees, rates, interest, and charges by electronic billing  
35 and payment. Electronic billing and payment may be used as an option  
36 by the taxpayer, but the treasurer may not require the use of  
37 electronic billing and payment. Electronic bill presentment and  
38 payment may be on a monthly or other periodic basis as the treasurer  
39 deems proper for:

40 (a) Delinquent tax year payments; and

1 (b) Prepayments of current tax.

2 **Tax payments.**

3 **Prepayment for current taxes.**

4 (15)(a) The treasurer may accept prepayments for current year  
5 taxes by any means authorized. All prepayments must be paid in full  
6 by the due date specified in subsection (16) of this section.

7 **Payment agreements for current year taxes.**

8 (b)(i) The treasurer may provide, by electronic means or  
9 otherwise, a payment agreement that provides for payment of current  
10 year taxes, inclusive of prepayment collection charges. The payment  
11 agreement must be signed by the taxpayer and treasurer or the  
12 treasurer's deputy prior to the sending of an electronic or  
13 alternative bill, which includes a payment plan for current year  
14 taxes.

15 **Payment agreements for delinquent year taxes.**

16 (ii)(A) The treasurer may provide, by electronic means or  
17 otherwise, a payment agreement for payment of past due delinquencies.  
18 The payment agreement must be signed by the taxpayer and treasurer or  
19 the treasurer's deputy prior to the sending of an electronic or  
20 alternative bill, which includes a payment plan for past due  
21 delinquent taxes and charges.

22 (B) Tax payments received by a treasurer for delinquent year  
23 taxes from a taxpayer participating on a payment agreement must be  
24 applied first to the oldest delinquent year unless such taxpayer  
25 requests otherwise.

26 **Partial payments: Acceptance of partial payments for current and**  
27 **delinquent taxes.**

28 (c)(i) In addition to the payment agreement program in (b) of  
29 this subsection, the treasurer may accept partial payment of any  
30 current and delinquent taxes including interest and penalties by any  
31 means authorized including electronic bill presentment and payments.

32 (ii) All tax payments received by a treasurer for delinquent year  
33 taxes from a taxpayer paying a partial payment must be applied first  
34 to the oldest delinquent year unless such taxpayer requests  
35 otherwise.

36 **Payment for delinquent taxes.**

37 (d) Payments on past due taxes must include collection of the  
38 oldest delinquent year, which includes interest, penalties, and taxes  
39 within an eighteen-month period, prior to filing a certificate of

1 delinquency under chapter 84.64 RCW or distraint pursuant to RCW  
2 84.56.070.

3 **Due date for tax payments.**

4 (16) All taxes upon real and personal property made payable by  
5 the provisions of this title are due and payable to the treasurer on  
6 or before the thirtieth day of April and are delinquent after that  
7 date. The remainder of the tax is due and payable on or before the  
8 following thirty-first of October and is delinquent after that date.  
9 All other assessments, fees, rates, and charges are delinquent after  
10 the due date.

11 **Electronic funds transfers.**

12 (17) A county treasurer may authorize payment of:

13 (a) Any current property taxes due under this chapter by  
14 electronic funds transfers on a monthly or other periodic basis; and

15 (b) Any past due property taxes, penalties, and interest under  
16 this chapter by electronic funds transfers on a monthly or other  
17 periodic basis. Delinquent taxes are subject to interest and  
18 penalties, as provided in subsection (5) of this section. All tax  
19 payments received by a treasurer from a taxpayer paying delinquent  
20 year taxes must be applied first to the oldest delinquent year unless  
21 such taxpayer requests otherwise.

22 **Payment for administering prepayment collections.**

23 (18) The treasurer must pay any collection costs, investment  
24 earnings, or both on past due payments or prepayments to the credit  
25 of a county treasurer service fund account to be created and used  
26 only for the payment of expenses incurred by the treasurer, without  
27 limitation, in administering the system for collecting prepayments.

28 **Waiver of interest and penalties for qualified taxpayers subject**  
29 **to foreclosure.**

30 (19) No earlier than sixty days prior to the date that is three  
31 years after the date of delinquency, the treasurer must waive all  
32 outstanding interest and penalties on delinquent taxes due from a  
33 taxpayer if the property is subject to an action for foreclosure  
34 under chapter 84.64 RCW and the following requirements are met:

35 (a) The taxpayer is income-qualified under RCW 84.36.381(5) (a),  
36 as verified by the county assessor;

37 (b) The taxpayer occupies the property as their principal place  
38 of residence; and

39 (c) The taxpayer has not previously received a waiver on the  
40 property as provided under this subsection.

1           **Definitions.**

2           (20) The definitions in this subsection apply throughout this  
3 section unless the context clearly requires otherwise.

4           (a) "Electronic billing and payment" means statements, invoices,  
5 or bills that are created, delivered, and paid using the internet.  
6 The term includes an automatic electronic payment from a person's  
7 checking account, debit account, or credit card.

8           (b) "Internet" has the same meaning as provided in RCW  
9 19.270.010.

10          (c) "Tax foreclosure avoidance costs" means those direct costs  
11 associated with the administration of properties subject to and prior  
12 to foreclosure. Tax foreclosure avoidance costs include:

13          (i) Compensation of employees for the time devoted to  
14 administering the avoidance of property foreclosure; and

15          (ii) The cost of materials, services, or equipment acquired,  
16 consumed, or expended in administering tax foreclosure avoidance  
17 prior to the filing of a certificate of delinquency.

18          NEW SECTION.   **Sec. 2.**   (1) The COVID-19 property tax deferral  
19 loan account is created in the custody of the state treasurer. Only  
20 the state treasurer or the treasurer's designee may make expenditures  
21 from the account. Expenditures from the account do not require an  
22 appropriation. Expenditures from the account may be made only for  
23 loans to local governments under this section.

24          (2) Between the effective date of this section and June 30, 2021,  
25 the state treasurer may make interest-free loans from the account to  
26 cities and counties. A city or county may apply to the state  
27 treasurer for an interest-free loan from the COVID-19 property tax  
28 deferral loan account in an amount not to exceed the city's or  
29 county's revenue delay as a result of property tax deferrals made  
30 under RCW 84.56.020(10)(b). The application under this section must  
31 be made in a form and manner determined by the state treasurer. The  
32 amount of each loan is determined by the treasurer, who may prorate  
33 loan amounts if loan applications exceed the account balance.

34          (3) A city or county that receives a loan under this section must  
35 repay the loan to the state treasurer within one calendar year from  
36 the date of the loan.

37          (4) Cities and counties may spend moneys loaned under this  
38 section exclusively for local government uses authorized in statute.



1           (5) After the end of fiscal year 2022, the state treasurer shall  
2 transfer to the state general fund the entire balance of the account,  
3 whether from loan repayments or unexpended balance. The state  
4 treasurer must also transfer to the state general fund any loan  
5 repayments received after that date.

6           (6) This section expires July 1, 2023.

7           NEW SECTION.   **Sec. 3.** This act is necessary for the immediate  
8 preservation of the public peace, health, or safety, or support of  
9 the state government and its existing public institutions, and takes  
10 effect immediately.

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