

SSB 6614 - S AMD TO S AMD (S-6140.5/18) 941
By Senator Ericksen

NOT ADOPTED 03/07/2018

1 Beginning on page 1, line 3 of the amendment, strike all material
2 through "schools." on page 2, line 22 and insert the following:

3 "Sec. 1. RCW 84.52.065 and 2017 3rd sp.s. c 13 s 301 are each
4 amended to read as follows:

5 (1) Except as otherwise provided in this section, subject to the
6 limitations in RCW 84.55.010, in each year the state (~~shall~~) must
7 levy for collection in the following year for the support of common
8 schools of the state a tax of three dollars and sixty cents per
9 thousand dollars of assessed value upon the assessed valuation of all
10 taxable property within the state adjusted to the state equalized
11 value in accordance with the indicated ratio fixed by the state
12 department of revenue.

13 (2)(a) In addition to the tax authorized under subsection (1) of
14 this section, the state must levy an additional property tax for the
15 support of common schools of the state.

16 (i) For taxes levied for collection in calendar years 2018,
17 (~~through~~) 2020, and 2021, the rate of tax is the rate necessary to
18 bring the aggregate rate for state property tax levies levied under
19 this subsection and subsection (1) of this section to a combined rate
20 of two dollars and seventy cents per thousand dollars of assessed
21 value (~~upon the assessed valuation of all taxable property within~~
22 ~~the state adjusted to the state equalized value in accordance with~~
23 ~~the indicated ratio fixed by the state department of revenue~~)).

24 (ii) For taxes levied for collection in calendar year 2019, the
25 rate of tax is the rate necessary to bring the aggregate rate for
26 state property tax levies levied under this subsection and subsection
27 (1) of this section to a combined rate of one dollar and eighty-nine
28 cents per thousand dollars of assessed value.

29 (iii) The state property tax levy rates provided in this
30 subsection (2)(a) are based upon the assessed valuation of all
31 taxable property within the state adjusted to the state equalized

1 value in accordance with the indicated ratio fixed by the state
2 department of revenue.

3 (iv) For taxes levied for collection in calendar year 2022 and
4 thereafter, the tax authorized under this subsection (2) is subject
5 to the limitations of chapter 84.55 RCW.

6 (b) Taxes collected under this subsection (2) must be deposited
7 into the state general fund.

8 (3) For taxes levied for collection in calendar years 2019
9 through 2021, the state property taxes levied under subsections (1)
10 and (2) of this section are not subject to the limitations in chapter
11 84.55 RCW.

12 (4) For taxes levied for collection in calendar year 2022 and
13 thereafter, the aggregate rate limit for state property taxes levied
14 under subsections (1) and (2) of this section is three dollars and
15 sixty cents per thousand dollars of assessed value upon the assessed
16 valuation of all taxable property within the state adjusted to the
17 state equalized value in accordance with the indicated ratio fixed by
18 the state department of revenue.

19 (5) For property taxes levied for collection in calendar years
20 2019 through 2021, the rate of tax levied under subsection (1) of
21 this section is the actual rate that was levied for collection in
22 calendar year 2018 under subsection (1) of this section.

23 (6) As used in this section, "the support of common schools"
24 includes the payment of the principal and interest on bonds issued
25 for capital construction projects for the common schools.

26 **Sec. 2.** RCW 84.56.020 and 2017 c 142 s 1 are each amended to
27 read as follows:

28 (1) The county treasurer must be the receiver and collector of
29 all taxes extended upon the tax rolls of the county, whether levied
30 for state, county, school, bridge, road, municipal or other purposes,
31 and also of all fines, forfeitures or penalties received by any
32 person or officer for the use of his or her county. No treasurer may
33 accept tax payments or issue receipts for the same until the
34 treasurer has completed the tax roll for the current year's
35 collection and provided notification of the completion of the roll.
36 Notification may be accomplished electronically, by posting a notice
37 in the office, or through other written communication as determined
38 by the treasurer. All real and personal property taxes and
39 assessments made payable by the provisions of this title are due and

1 payable to the county treasurer on or before the thirtieth day of
2 April and, except as provided in this section, are delinquent after
3 that date.

4 (2) Each tax statement must include a notice that checks for
5 payment of taxes may be made payable to "Treasurer of
6 County" or other appropriate office, but tax statements may not
7 include any suggestion that checks may be made payable to the name of
8 the individual holding the office of treasurer nor any other
9 individual.

10 (3) When the total amount of tax or special assessments on
11 personal property or on any lot, block or tract of real property
12 payable by one person is fifty dollars or more, and if one-half of
13 such tax is paid on or before the thirtieth day of April, the
14 remainder of such tax, except as provided in subsection (5) of this
15 section, is due and payable on or before the following thirty-first
16 day of October and is delinquent after that date.

17 (4) When the total amount of tax or special assessments on any
18 lot, block or tract of real property or on any mobile home payable by
19 one person is fifty dollars or more, and if one-half of such tax is
20 paid after the thirtieth day of April but before the thirty-first day
21 of October, together with the applicable interest and penalty on the
22 full amount of tax payable for that year, the remainder of such tax,
23 except as provided in subsection (5) of this section, is due and
24 payable on or before the following thirty-first day of October and is
25 delinquent after that date.

26 (5)(a) For the 2017 state property taxes levied under RCW
27 84.52.065 (1) and (2) for collection in 2018, the remainder of the
28 tax is due and payable as follows:

29 (i) Forty percent is due and payable on or before the thirty-
30 first day of October 2018 and is delinquent after that date;

31 (ii) Thirty percent is due and payable on or before the thirtieth
32 day of April 2019 and is delinquent after that date; and

33 (iii) Thirty percent is due and payable on or before the thirty-
34 first day of October 2019 and is delinquent after that date.

35 (b) This subsection (5) does not apply to property exempt from
36 the additional state property tax imposed under RCW 84.52.065(2) as
37 provided in RCW 84.36.381(5)(a).

38 (6) Except as provided in (c) of this subsection, delinquent
39 taxes under this section are subject to interest at the rate of
40 twelve percent per annum computed on a monthly basis on the amount of

1 tax delinquent from the date of delinquency until paid. Interest must
2 be calculated at the rate in effect at the time of the tax payment,
3 regardless of when the taxes were first delinquent. In addition,
4 delinquent taxes under this section are subject to penalties as
5 follows:

6 (a) A penalty of three percent of the amount of tax delinquent is
7 assessed on the tax delinquent on June 1st of the year in which the
8 tax is due.

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

12 (c) If a taxpayer is successfully participating in a payment
13 agreement under subsection (~~(12)~~) (13)(b) of this section or a
14 partial payment program pursuant to subsection (~~(13)~~) (14) of this
15 section, the county treasurer may not assess additional penalties on
16 delinquent taxes that are included within the payment agreement.
17 Interest and penalties that have been assessed prior to the payment
18 agreement remain due and payable as provided in the payment
19 agreement.

20 (~~(6)~~) (7)(a) When real property taxes become delinquent and
21 prior to the filing of the certificate of delinquency, the treasurer
22 is authorized to assess and collect tax foreclosure avoidance costs.

23 (b) For the purposes of this section, "tax foreclosure avoidance
24 costs" means those direct costs associated with the administration of
25 properties subject to and prior to foreclosure. Tax foreclosure
26 avoidance costs include:

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

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

32 (c) When tax foreclosure avoidance costs are collected, such
33 costs must be credited to the county treasurer service fund account,
34 except as otherwise directed.

35 (d) For purposes of chapter 84.64 RCW, any taxes, interest, or
36 penalties deemed delinquent under this section remain delinquent
37 until such time as all taxes, interest, and penalties for the tax
38 year in which the taxes were first due and payable have been paid in
39 full.

1 ~~((7))~~ (8) Subsection ~~((5))~~ (6) of this section
2 notwithstanding, no interest or penalties may be assessed during any
3 period of armed conflict regarding delinquent taxes imposed on the
4 personal residences owned by active duty military personnel who are
5 participating as part of one of the branches of the military involved
6 in the conflict and assigned to a duty station outside the
7 territorial boundaries of the United States.

8 ~~((8))~~ (9) During a state of emergency declared under RCW
9 43.06.010(12), the county treasurer, on his or her own motion or at
10 the request of any taxpayer affected by the emergency, may grant
11 extensions of the due date of any taxes payable under this section as
12 the treasurer deems proper.

13 ~~((9))~~ (10) All collections of interest on delinquent taxes must
14 be credited to the county current expense fund.

15 ~~((10))~~ (11) For purposes of this chapter, "interest" means both
16 interest and penalties unless the context clearly requires otherwise.

17 ~~((11))~~ (12) The direct cost of foreclosure and sale of real
18 property, and the direct fees and costs of distraint and sale of
19 personal property, for delinquent taxes, must, when collected, be
20 credited to the operation and maintenance fund of the county
21 treasurer prosecuting the foreclosure or distraint or sale; and must
22 be used by the county treasurer as a revolving fund to defray the
23 cost of further foreclosure, distraint, and sale because of
24 delinquent taxes without regard to budget limitations and not subject
25 to indirect costs of other charges.

26 ~~((12))~~ (13)(a) For purposes of this chapter, and in accordance
27 with this section and RCW 36.29.190, the treasurer may collect taxes,
28 assessments, fees, rates, interest, and charges by electronic billing
29 and payment. Electronic billing and payment may be used as an option
30 by the taxpayer, but the treasurer may not require the use of
31 electronic billing and payment. Electronic bill presentment and
32 payment may be on a monthly or other periodic basis as the treasurer
33 deems proper for delinquent tax year payments only or for prepayments
34 of current tax. All prepayments must be paid in full by the due date
35 specified in (c) of this subsection. Payments on past due taxes must
36 include collection of the oldest delinquent year, which includes
37 interest and taxes within a twelve-month period, prior to filing a
38 certificate of delinquency under chapter 84.64 RCW or distraint
39 pursuant to RCW 84.56.070.

1 (b) The treasurer may provide, by electronic means or otherwise,
2 a payment agreement that provides for payment of current year taxes,
3 inclusive of prepayment collection charges. The treasurer may
4 provide, by electronic means or otherwise, a payment agreement for
5 payment of past due delinquencies, which must also require current
6 year taxes to be paid timely. The payment agreement must be signed by
7 the taxpayer and treasurer prior to the sending of an electronic or
8 alternative bill, which includes a payment plan for current year
9 taxes. The treasurer may accept partial payment of current and
10 delinquent taxes including interest and penalties using electronic
11 bill presentment and payments.

12 (c) All taxes upon real and personal property made payable by the
13 provisions of this title are due and payable to the treasurer on or
14 before the thirtieth day of April and, except as otherwise provided
15 in this section, are delinquent after that date. ~~((The))~~ Except as
16 provided in subsection (5) of this section, any remainder of the tax
17 is due and payable on or before the following thirty-first of October
18 and is delinquent after that date. All other assessments, fees,
19 rates, and charges are delinquent after the due date.

20 (d) A county treasurer may authorize payment of past due property
21 taxes, penalties, and interest under this chapter by electronic funds
22 transfers on a monthly basis. Delinquent taxes are subject to
23 interest and penalties, as provided in subsection ~~((+5+))~~ (6) of this
24 section.

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

30 ~~((+13+))~~ (14) In addition to the payment program in subsection
31 ~~((+12+))~~ (13)(b) of this section, the treasurer may accept partial
32 payment of current and delinquent taxes including interest and
33 penalties by any means authorized.

34 ~~((+14) For purposes of this section unless the context clearly~~
35 ~~requires otherwise, the following definitions apply:))~~ (15) The
36 definitions in this subsection apply throughout this section unless
37 the context clearly requires otherwise.

38 (a) "Electronic billing and payment" means statements, invoices,
39 or bills that are created, delivered, and paid using the internet.

1 The term includes an automatic electronic payment from a person's
2 checking account, debit account, or credit card.

3 (b) "Internet" has the same meaning as provided in RCW
4 19.270.010.

5 (c) "Remainder of the tax" means the remaining tax due after at
6 least one-half of the tax due for the year is paid by April 30th of
7 the year in which the taxes are due, or after at least one-half of
8 the tax due for the year plus applicable penalties and interest is
9 paid after April 30th but before October 31st of the year in which
10 the tax is due.

11 **Sec. 3.** RCW 36.35.110 and 2013 c 221 s 2 are each amended to
12 read as follows:

13 (1) No claims are allowed against the county from any
14 municipality, school district, road district or other taxing district
15 for taxes levied on property acquired by the county by tax deed under
16 the provisions of this chapter, but all taxes must at the time of
17 deeding the property be thereby canceled. However, the proceeds of
18 any sale of any property acquired by the county by tax deed must
19 first be applied to reimburse the county for the costs of foreclosure
20 and sale. The remainder of the proceeds, if any, must be applied to
21 pay any amounts deferred under chapter 84.37 or 84.38 RCW on the
22 property, including accrued interest, and outstanding at the time the
23 county acquired the property by tax deed. The remainder of the
24 proceeds, if any, must be justly apportioned to the various funds
25 existing at the date of the sale, in the territory in which such
26 property is located, according to the tax levies of the year last in
27 process of collection.

28 (2) For purposes of this section, "costs of foreclosure and sale"
29 means those costs of foreclosing on the property that, when
30 collected, are subject to RCW 84.56.020(~~(+9)~~) (12), and the direct
31 costs incurred by the county in selling the property.

32 NEW SECTION. **Sec. 4.** Section 1 of this act applies both
33 prospectively and retroactively to January 1, 2018. However, this act
34 does not authorize refunds of state property taxes levied for
35 collection in 2018 and validly collected before the effective date of
36 this section.

1 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect immediately."

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5 On page 2, beginning on line 26 of the title amendment, after
6 "2019;" strike all material through "84.52.065." on line 27 and
7 insert "amending RCW 84.52.065, 84.56.020, and 36.35.110; creating a
8 new section; and declaring an emergency."

EFFECT: Replaces the 2019 state property tax reduction with a
state property tax deferral. Defers payment of \$996 million of
calendar year 2018 state property taxes until calendar year 2019.
Reduces calendar year 2019 state property tax collections by \$996
million.

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