
SUBSTITUTE SENATE BILL 6614

State of Washington

65th Legislature

2018 Regular Session

By Senate Ways & Means (originally sponsored by Senators Mullet, Rolfes, Dhingra, and Frockt)

READ FIRST TIME 02/22/18.

1 AN ACT Relating to funding for the support of common schools;
2 amending RCW 84.52.065, 84.56.020, 84.52.080, and 43.79.496; adding a
3 new section to chapter 84.56 RCW; creating a new section; making an
4 appropriation; and declaring an emergency.

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

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

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

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

19 (i) For taxes levied for collection in calendar year 2018, the
20 rate of tax is the rate necessary to bring the aggregate rate for
21 state property tax levies levied under this subsection and subsection

1 (1) of this section to a combined rate of two dollars and thirty-five
2 cents per thousand dollars of assessed value upon the assessed
3 valuation of all taxable property within the state adjusted to the
4 state equalized value in accordance with the indicated ratio fixed by
5 the state department of revenue.

6 (ii) For taxes levied for collection in calendar years ~~((2018))~~
7 2019 through 2021, the rate of tax is the rate necessary to bring the
8 aggregate rate for state property tax levies levied under this
9 subsection and subsection (1) of this section to a combined rate of
10 two dollars and seventy cents per thousand dollars of assessed value
11 upon the assessed valuation of all taxable property within the state
12 adjusted to the state equalized value in accordance with the
13 indicated ratio fixed by the state department of revenue.

14 ~~((+ii))~~ (iii) For taxes levied for collection in calendar year
15 2022 and thereafter, the tax authorized under this subsection (2) is
16 subject to the limitations of chapter 84.55 RCW.

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

19 (3) For taxes levied for collection in calendar years 2019
20 through 2021, the state property taxes levied under subsections (1)
21 and (2) of this section are not subject to the limitations in chapter
22 84.55 RCW.

23 (4) For taxes levied for collection in calendar year 2022 and
24 thereafter, the aggregate rate limit for state property taxes levied
25 under subsections (1) and (2) of this section is three dollars and
26 sixty cents per thousand dollars of assessed value upon the assessed
27 valuation of all taxable property within the state adjusted to the
28 state equalized value in accordance with the indicated ratio fixed by
29 the state department of revenue.

30 (5) For property taxes levied for collection in calendar years
31 2019 through 2021, the rate of tax levied under subsection (1) of
32 this section is the actual rate that was levied for collection in
33 calendar year 2018 under subsection (1) of this section.

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

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

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

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

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

28 (4) When the total amount of tax or special assessments on any
29 lot, block or tract of real property or on any mobile home payable by
30 one person is fifty dollars or more, and if one-half of such tax is
31 paid after the thirtieth day of April but before the thirty-first day
32 of October, together with the applicable interest and penalty on the
33 full amount of tax payable for that year, the remainder of such tax
34 is due and payable on or before the following thirty-first day of
35 October and is delinquent after that date.

36 (5) Except as provided in (c) of this subsection, delinquent
37 taxes under this section are subject to interest at the rate of
38 twelve percent per annum computed on a monthly basis on the amount of
39 tax delinquent from the date of delinquency until paid. Interest must
40 be calculated at the rate in effect at the time of the tax payment,

1 regardless of when the taxes were first delinquent. In addition,
2 delinquent taxes under this section are subject to penalties as
3 follows:

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

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

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

17 (6)(a) When real property taxes become delinquent and prior to
18 the filing of the certificate of delinquency, the treasurer is
19 authorized to assess and collect tax foreclosure avoidance costs.

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

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

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

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

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

37 (7) Subsection (5) of this section notwithstanding, no interest
38 or penalties may be assessed during any period of armed conflict
39 regarding delinquent taxes imposed on the personal residences owned
40 by active duty military personnel who are participating as part of

1 one of the branches of the military involved in the conflict and
2 assigned to a duty station outside the territorial boundaries of the
3 United States.

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

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

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

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

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

36 (b) The treasurer may provide, by electronic means or otherwise,
37 a payment agreement that provides for payment of current year taxes,
38 inclusive of prepayment collection charges. The treasurer may
39 provide, by electronic means or otherwise, a payment agreement for
40 payment of past due delinquencies, which must also require current

1 year taxes to be paid timely. The payment agreement must be signed by
2 the taxpayer and treasurer prior to the sending of an electronic or
3 alternative bill, which includes a payment plan for current year
4 taxes. The treasurer may accept partial payment of current and
5 delinquent taxes including interest and penalties using electronic
6 bill presentment and payments.

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

14 (d) A county treasurer may authorize payment of past due property
15 taxes, penalties, and interest under this chapter by electronic funds
16 transfers on a monthly basis. Delinquent taxes are subject to
17 interest and penalties, as provided in subsection (5) of this
18 section.

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

24 (13) In addition to the payment program in subsection (12)(b) of
25 this section, the treasurer may accept partial payment of current and
26 delinquent taxes including interest and penalties by any means
27 authorized.

28 (14) For purposes of this section unless the context clearly
29 requires otherwise, the following definitions apply:

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

34 (b) "Internet" has the same meaning as provided in RCW
35 19.270.010.

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.56
37 RCW to read as follows:

1 (1) By no later than March 30, 2018, the department must certify
2 to county assessors the revised amounts that each county must collect
3 in 2018 for the additional state property tax in RCW 84.52.065(2).

4 (2) The county treasurer must prepare revised tax statements to
5 be distributed to taxpayers by no later than September 15, 2018.

6 **Sec. 4.** RCW 84.52.080 and 2010 c 106 s 314 are each amended to
7 read as follows:

8 (1) The county assessor must extend the taxes upon the tax rolls
9 in the form prescribed in this section. The rate percent necessary to
10 raise the amounts of taxes levied for state and county purposes, and
11 for purposes of taxing districts coextensive with the county, must be
12 computed upon the assessed value of the property of the county. The
13 rate percent necessary to raise the amount of taxes levied for any
14 taxing district within the county must be computed upon the assessed
15 value of the property of the district. All taxes assessed against any
16 property must be added together and extended on the rolls in a column
17 headed consolidated or total tax. In extending any tax, whenever the
18 tax amounts to a fractional part of a cent greater than one-half of a
19 cent it must be rounded up to one cent, and whenever it amounts to
20 one-half of a cent or less it must be dropped. The amount of all
21 taxes must be entered in the proper columns, as shown by entering the
22 rate percent necessary to raise the consolidated or total tax and the
23 total tax assessed against the property.

24 (2) For the purpose of computing the rate necessary to raise the
25 amount of any excess levy in a taxing district entitled to a
26 distribution under RCW 84.33.081, other than the state, the county
27 assessor must add the district's timber assessed value, as defined in
28 RCW 84.33.035, to the assessed value of the property. However, for
29 school districts maintenance and operations levies, only one-half of
30 the district's timber assessed value or eighty percent of the timber
31 roll of the district in calendar year 1983 as determined under
32 chapter 84.33 RCW, whichever is greater, must be added to the
33 assessed value of the property.

34 (3) Upon the completion of such tax extension, it is the duty of
35 the county assessor to make in each assessment book, tax roll or list
36 a certificate in the following form:

1 I,, assessor of county, state of
2 Washington, do hereby certify that the foregoing is a
3 correct list of taxes levied on the real and personal
4 property in the county of for the year two
5 thousand

6 Witness my hand this day of, 20. . .

7, County Assessor

8 (4) The county assessor must deliver the tax rolls to the county
9 treasurer, on or before the fifteenth day of January, taking a
10 receipt from the treasurer. At the same time, the county assessor
11 must provide the county auditor with an abstract of the tax rolls
12 showing the total amount of taxes collectible in each of the taxing
13 districts.

14 (5) For 2018 only, the county assessor must deliver revised tax
15 rolls to the county treasurer, on or before June 15, 2018, to reflect
16 the necessary changes to the additional state property tax levy in
17 RCW 84.52.065(2).

18 **Sec. 5.** RCW 43.79.496 and 2017 3rd sp.s. c 29 s 5 are each
19 amended to read as follows:

20 (1) By June 30, 2015, the treasurer (~~(shall)~~) must transfer into
21 the state general fund the entire budget stabilization account
22 deposit for the 2013-2015 fiscal biennium that is attributable to
23 extraordinary revenue growth, not to exceed fifty million dollars.

24 (2) During the 2017-2019 fiscal biennium, the treasurer (~~(shall)~~)
25 must transfer into the state general fund the entire budget
26 stabilization account deposit for the 2017-2019 fiscal biennium that
27 is attributable to extraordinary revenue growth, not to exceed one
28 billion seventy-eight million dollars.

29 (3) In addition to the transfer under subsection (2) of this
30 section, the treasurer must transfer into the state general fund from
31 the budget stabilization account the sum of two hundred twenty-eight
32 million dollars on July 1, 2018, and the sum of two hundred three
33 million dollars on July 1, 2019. The moneys transferred into the
34 general fund must be used for the support of common schools.

35 (4) For purposes of RCW 43.88.055(4), the transfers in this
36 section do not alter the requirement to balance in ensuing biennia.

1 NEW SECTION. **Sec. 6.** The sum of five million dollars, or as
2 much thereof as may be necessary, is appropriated for the biennium
3 ending June 30, 2019, from the general fund to the department of
4 revenue for the purposes of assisting counties with any printing or
5 postage costs and information technology updates or changes made
6 necessary as a result of this act.

7 NEW SECTION. **Sec. 7.** Section 1 of this act applies both
8 prospectively and retroactively to January 1, 2018. However, this act
9 does not authorize refunds of state property taxes levied for
10 collection in 2018 and validly collected before the effective date of
11 this section.

12 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of
14 the state government and its existing public institutions, and takes
15 effect immediately.

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