

ESHB 1332 - S AMD 786
By Senator Hunt

ADOPTED 04/10/2021

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.56.020 and 2019 c 332 s 1 are each amended to
4 read as follows:

5 **Treasurers' tax collection duties.**

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

21 **Tax statements.**

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

24 (i) All city and other taxing district budgets have been
25 submitted to county legislative authorities by November 30th per RCW
26 84.52.020;

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

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

31 (b) Each tax statement must include a notice that checks for
32 payment of taxes may be made payable to "Treasurer of

1 County" or other appropriate office, but tax statements may not
2 include any suggestion that checks may be made payable to the name of
3 the individual holding the office of treasurer nor any other
4 individual.

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

7 (i) Property tax exemption program pursuant to RCW 84.36.379
8 through 84.36.389; and

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

10 **Tax payment due dates.**

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

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

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

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

29 **Delinquent tax payments: Interest, penalties, and treasurer**
30 **duties.**

31 (5) Except as provided in (c) of this subsection, delinquent
32 taxes under this section are subject to interest at the rate of
33 twelve percent per annum computed on a monthly basis on the amount of
34 tax delinquent from the date of delinquency until paid. Interest must
35 be calculated at the rate in effect at the time of the tax payment,
36 regardless of when the taxes were first delinquent. In addition,
37 delinquent taxes under this section are subject to penalties as
38 follows:

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

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

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

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

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

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

22 (c) Where the taxpayer can pay his or her property taxes directly
23 and contact information, including but not limited to the phone
24 number, for the statewide foreclosure hotline recommended by the
25 Washington state housing finance commission.

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

32 **Collection of foreclosure costs.**

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

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

39 (c) For purposes of chapter 84.64 RCW, any taxes, interest, or
40 penalties deemed delinquent under this section remain delinquent

1 until such time as all taxes, interest, and penalties for the tax
2 year in which the taxes were first due and payable have been paid in
3 full.

4 **Periods of armed conflict.**

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

12 **State of emergency.**

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

19 (b) (i) Due to the state of emergency declared under RCW
20 43.06.010(12) related to the novel coronavirus, the county treasurer
21 must grant an extension of the due date of any unpaid, nondelinquent
22 taxes payable in 2021, if an eligible taxpayer demonstrates to the
23 county treasurer's satisfaction a loss of at least 25 percent of its
24 revenue attributable to that real property for calendar year 2020
25 compared to calendar year 2019.

26 (ii) (A) Eligible taxpayers must request an extension under this
27 subsection from the county treasurer solely upon forms developed or
28 approved by the department. The county treasurer must deny any
29 extension request that is not filed with the county treasurer by
30 April 30, 2021.

31 (B) An eligible taxpayer requesting an extension under this
32 subsection (10)(b) must certify under penalty of perjury in
33 accordance with chapter 5.50 RCW that the information contained in
34 the extension request is true and correct.

35 (C) County treasurers may grant an extension under this
36 subsection (10)(b) based solely on the information provided in a
37 person's request for extension. County treasurers may, but are not
38 required to, independently verify the information submitted in a
39 request for extension.

1 (iii) A county treasurer granting an extension under this
2 subsection (10)(b) must establish a payment plan for the taxes
3 subject to the extension. The county treasurer may determine the
4 payment schedule and other terms of the payment plan.

5 (A) In setting terms for the payment plan, the county treasurer
6 must consider cash flow and other impacts on all relevant taxing
7 jurisdictions. The county treasurer must prioritize payment plan
8 expenditures to protect scheduled bond payments, and otherwise has
9 discretion as to how payments made under the payment plan are
10 expended.

11 (B) A taxing jurisdiction must report to the county treasurer its
12 current fund balance by April 30, 2021. If granting the extension
13 under this subsection (10)(b) results in any taxing jurisdiction
14 being unable to make scheduled bond payments, then the county
15 treasurer may choose not to grant extensions under this subsection
16 (10)(b).

17 (C) Penalties and interest do not apply to the taxes due under
18 the payment plan so long as the eligible taxpayer fully complies with
19 all the terms of the payment plan.

20 (iv) The county treasurer must process all requests for extension
21 under this subsection (10)(b) by June 30, 2021.

22 (v) The department may, to the extent feasible, considering
23 available resources and data limitations, assist the county
24 treasurer, upon request, in determining whether a person requesting
25 an extension under this subsection (10)(b) is an eligible taxpayer.

26 (vi) The department may, in its sole discretion, at the request
27 of a county treasurer or on its own initiative, audit any person
28 receiving an extension under this subsection (10)(b) to determine if
29 the person was eligible for such extension. The powers of the
30 department under chapter 84.08 RCW apply to these audits.

31 (vii) Any owner of real property receiving an extension under
32 this subsection (10)(b) must pass the entire benefit of the extension
33 to any tenant, and such tenant to any sublessee, if the tenant or
34 sublessee is required by the lease or other contract to pay the
35 property tax expense of the owner. Neither county treasurers nor the
36 department have any responsibility for enforcing this subsection
37 (10)(b)(vii).

38 (viii) The department may adopt rules it deems necessary to
39 administer this subsection (10)(b).

1 (ix) The department is authorized to provide its opinion, if any,
2 to a county treasurer as to whether a person meets the qualifications
3 for an extension under this subsection (10)(b). However, nothing in
4 this subsection (10)(b) requires the department to disclose to a
5 county treasurer details of the revenues of a person requesting or
6 receiving an extension under this subsection (10)(b).

7 (x) For purposes of this subsection (10)(b), the following
8 definitions apply:

9 (A) "Attributable" means generated from the leasing or renting of
10 real property or from a person's business activities conducted in, or
11 directed or managed from, real property.

12 (B) "Eligible taxpayer" means an owner or person responsible for
13 payment of tax on any real property primarily used for business
14 purposes who has experienced a loss of at least 25 percent of its
15 revenue attributable to that real property for calendar year 2020
16 compared to calendar year 2019.

17 (C) "Revenue" means gross revenue, including gross income of the
18 business as defined in RCW 82.04.080 and gross income as defined in
19 RCW 82.16.010.

20 **Retention of funds from interest.**

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

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

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

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

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

36 **Electronic billings and payments.**

37 (14) For purposes of this chapter, and in accordance with this
38 section and RCW 36.29.190, the treasurer may collect taxes,
39 assessments, fees, rates, interest, and charges by electronic billing
40 and payment. Electronic billing and payment may be used as an option

1 by the taxpayer, but the treasurer may not require the use of
2 electronic billing and payment. Electronic bill presentment and
3 payment may be on a monthly or other periodic basis as the treasurer
4 deems proper for:

5 (a) Delinquent tax year payments; and

6 (b) Prepayments of current tax.

7 **Tax payments.**

8 **Prepayment for current taxes.**

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

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

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

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

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

27 (B) Tax payments received by a treasurer for delinquent year
28 taxes from a taxpayer participating on a payment agreement must be
29 applied first to the oldest delinquent year unless such taxpayer
30 requests otherwise.

31 **Partial payments: Acceptance of partial payments for current and**
32 **delinquent taxes.**

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

37 (ii) All tax payments received by a treasurer for delinquent year
38 taxes from a taxpayer paying a partial payment must be applied first
39 to the oldest delinquent year unless such taxpayer requests
40 otherwise.

1 **Payment for delinquent taxes.**

2 (d) Payments on past due taxes must include collection of the
3 oldest delinquent year, which includes interest, penalties, and taxes
4 within an eighteen-month period, prior to filing a certificate of
5 delinquency under chapter 84.64 RCW or distraint pursuant to RCW
6 84.56.070.

7 **Due date for tax payments.**

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

15 **Electronic funds transfers.**

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

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

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

26 **Payment for administering prepayment collections.**

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

32 **Waiver of interest and penalties for qualified taxpayers subject**
33 **to foreclosure.**

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

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

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

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

5 **Definitions.**

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

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

12 (b) "Internet" has the same meaning as provided in RCW
13 19.270.010.

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

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

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

22 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of
24 the state government and its existing public institutions, and takes
25 effect immediately.

26 NEW SECTION. **Sec. 3.** This act expires January 1, 2022."

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27 On page 1, line 2 of the title, after "pandemic;" strike the
28 remainder of the title and insert "amending RCW 84.56.020; providing
29 an expiration date; and declaring an emergency."

EFFECT: (1) Clarifies that a request for extension for payment of
2021 property taxes must be made by April 30, 2021, by an eligible
taxpayer.

- (2) Defines the term "eligible taxpayer."
- (3) Requires applicants for an extension to certify under penalty of perjury that the information provided in a request for an extension is true and correct.
- (4) Provides county treasurers additional time to process requests for extension of 2021 property taxes until June 30, 2021.
- (5) Allows county treasurers to approve extension requests based solely on the information contained in a request for extension.
- (6) Allows county treasurers to seek assistance from the Department of Revenue in determining whether a taxpayer qualifies for an extension.
- (7) Authorizes the Department of Revenue to audit taxpayers receiving an extension to verify their eligibility for the extension.
- (8) Allows the Department of Revenue to provide county treasurers with an opinion as to a person's eligibility for an extension, but does not require the department to share specific details about a person's income with the county treasurers.
- (9) Adds an expiration date of January 1, 2022.
- (10) Requires taxing districts within a county to report to the county treasurer their fund balance by April 30, 2021.
- (11) Allows county treasurers to not grant extensions within that county if granting such extensions prevents any taxing jurisdiction from making scheduled bond payments.

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