S-1170.1

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**SUBSTITUTE SENATE BILL 5314**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senate Local Government (originally sponsored by Senators Wilson, Sheldon, Rivers, Becker, Miloscia, and Warnick)

AN ACT Relating to county treasurer administrative efficiencies; amending RCW 84.56.020, 84.56.050, and 82.45.090; and repealing 2014 c 13 s 3 (uncodified).

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

**Sec.**  RCW 84.56.020 and 2014 c 13 s 1 are each amended to read as follows:

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

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

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

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

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

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

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

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

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

(b) For the purposes of this section, "tax foreclosure avoidance costs" means those costs that can be identified specifically with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include:

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

(ii) The cost of materials, services, or equipment acquired, consumed, or expended specifically for the purpose of administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

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

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

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

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

(9) For purposes of this chapter, "interest" means both interest and penalties.

(10) All collections of interest on delinquent taxes must be credited to the county current expense fund; but the cost of foreclosure and sale of real property, and the fees and costs of distraint and sale of personal property, for delinquent taxes, must, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and must be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint, and sale ((~~for~~)) because of delinquent taxes without regard to budget limitations.

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

(b) The treasurer ((~~must~~)) may provide, by electronic means or otherwise, a payment agreement that provides for payment of current year taxes, ((~~inclusive of prepayment~~)) including partial payment collection charges. The treasurer may provide, by electronic means or otherwise, a payment agreement for payment of past due delinquencies((~~, which must also require current year taxes to be paid timely. The payment agreement must be signed by the taxpayer and~~)) that also requires on-time payment of current year taxes. The payment agreement must be approved by the taxpayer and authorized by the treasurer prior to the sending of an electronic or alternative bill, which includes a payment plan for current year taxes. The treasurer may accept partial payment of current and delinquent taxes including interest and penalties using ((~~electronic bill presentment and payments~~)) any method the treasurer authorizes.

(c) All taxes upon real and personal property made payable by the provisions of this title are due and payable to the treasurer on or before the thirtieth day of April and are delinquent after that date. The remainder of the tax is due and payable on or before the following thirty-first ((~~day~~)) of October ((~~following~~)) and is delinquent after that date. All other assessments, fees, rates, and charges are delinquent after the due date. The treasurer may accept a one-time, electronic partial payment without a payment agreement.

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

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

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

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

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

**Sec.**  RCW 84.56.050 and 1991 c 245 s 17 are each amended to read as follows:

(1) On ((~~receiving the tax rolls the treasurer shall post~~)) receipt of the certification of the tax rolls from the county assessor, the county treasurer must transfer all real and personal property taxes from the rolls to the treasurer's tax roll, and ((~~shall~~)) must carry forward to the current tax rolls a memorandum of all delinquent taxes on each and every description of property, ((~~and enter the same on the property upon which the taxes are delinquent showing the amounts for each year. The treasurer shall notify each taxpayer in the county, at the expense of the county, of the amount of the real and personal property, and the current and delinquent amount of tax due on the same; and the treasurer shall have printed on the notice the name of each tax and the levy made on the same. The county treasurer shall be the sole collector of all delinquent taxes and all other taxes due and collectible on the tax rolls of the county: PROVIDED, That the term "taxpayer" as used in this section shall~~)) entering which taxes are delinquent and the amounts for each year. Except as provided otherwise in this section, the treasurer must provide a printed notice or electronically publish, at the expense of the county, information for each taxpayer, regarding the amount of real and personal property, and the name of each tax and levy made on the same. The county treasurer must be the sole collector of all taxes, current or delinquent.

(2) For the purposes of this section, "taxpayer" means any person charged, or whose property is charged, with property tax((~~; and~~)).

(3) The person to be notified ((~~is that~~)) under this section is the person whose name appears on the tax roll herein mentioned((~~: PROVIDED, FURTHER, That~~)). However, if:

(a) No name so appears the person to be notified is ((~~that~~)) the person shown by the treasurer's tax rolls or duplicate tax receipts of any preceding year as the payer of the tax last paid on the property ((~~in question~~)); or

(b) The real property taxes are paid by a bank, as defined in RCW 62A.1-201, the name of each tax and levy in the property tax information on the county treasurer's web site satisfies the notice requirements of this section.

**Sec.**  RCW 82.45.090 and 2009 c 350 s 8 are each amended to read as follows:

(1) Except for a sale of a beneficial interest in real property where no instrument evidencing the sale is recorded in the official real property records of the county in which the property is located, the tax imposed by this chapter ((~~shall~~)) must be paid to and collected by the treasurer of the county within which is located the real property ((~~which~~)) that was sold. In collecting the tax the county treasurer ((~~shall~~)) must act as agent for the state. The county treasurer ((~~shall~~)) must cause a verification of payment evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales and used floating home sales. A receipt issued by the county treasurer for the payment of the tax imposed under this chapter ((~~shall be~~)) is evidence of the satisfaction of the lien imposed ((~~hereunder~~)) in this section and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax ((~~shall~~)) may be accepted by the county auditor for filing or recording until the tax ((~~shall have been~~)) is paid and the verification of payment affixed thereto; in case the tax is not due on the transfer, the instrument ((~~shall~~)) may not be so accepted until suitable notation of such fact has been made on the instrument by the treasurer. ((~~Any time there is a~~)) At the sale of a used mobile home, used manufactured home, used park model, or used floating home that has not been title eliminated, property taxes must be current in order to complete the processing of the real estate excise tax affidavit or other documents transferring title. Verification that the property taxes are current must be noted on the mobile home real estate excise tax affidavit or on a form approved by the county treasurer. For the purposes of this subsection, "mobile home," "manufactured home," and "park model" have the same meaning as provided in RCW 59.20.030.

(2) For a sale of a beneficial interest in real property where a tax is due under this chapter and where no instrument is recorded in the official real property records of the county in which the property is located, the sale ((~~shall~~)) must be reported to the department of revenue within five days from the ((~~date of the~~)) sale date on such returns or forms and according to such procedures as the department may prescribe. Such forms or returns ((~~shall~~)) must be signed or electronically signed by both the transferor and the transferee and ((~~shall~~)) must be accompanied by payment of the tax due.

(3) Any person who intentionally makes a false statement on any return or form required to be filed with the department under this chapter is guilty of perjury under chapter 9A.72 RCW.

NEW SECTION. **Sec.**  2014 c 13 s 3 (uncodified) is repealed.

**--- END ---**