

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 1648

Chapter 142, Laws of 2017

65th Legislature
2017 Regular Session

COUNTY TREASURERS--TAX COLLECTION--VARIOUS CHANGES

EFFECTIVE DATE: 7/23/2017

Passed by the House April 13, 2017
Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 31, 2017
Yeas 46 Nays 0

CYRUS HABIB

President of the Senate

Approved April 27, 2017 10:53 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1648** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 27, 2017

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 1648

AS AMENDED BY THE SENATE

Passed Legislature - 2017 Regular Session

State of Washington 65th Legislature 2017 Regular Session

By Representatives Stonier, Frame, Peterson, Harris, Vick, Wylie, and
Pike

Read first time 01/25/17. Referred to Committee on Local Government.

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

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

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

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

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

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

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

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

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

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

37 (c) If a taxpayer is successfully participating in a payment
38 agreement under subsection (12)(b) of this section or a partial
39 payment ((agreement under subsection (11)(b) of this section))
40 program pursuant to subsection (13) of this section, the county

1 treasurer may not assess additional penalties on delinquent taxes
2 that are included within the payment agreement. Interest and
3 penalties that have been assessed prior to the payment agreement
4 remain due and payable as provided in the payment agreement.

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

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

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

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

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

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

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

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

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

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

3 ~~((10) All collections of interest on delinquent taxes must be
4 credited to the county current expense fund; but))~~

5 (11) The direct cost of foreclosure and sale of real property,
6 and the direct fees and costs of distraint and sale of personal
7 property, for delinquent taxes, must, when collected, be credited to
8 the operation and maintenance fund of the county treasurer
9 prosecuting the foreclosure or distraint or sale; and must be used by
10 the county treasurer as a revolving fund to defray the cost of
11 further foreclosure, distraint, and sale ~~((for))~~ because of
12 delinquent taxes without regard to budget limitations and not subject
13 to indirect costs of other charges.

14 ~~((11))~~ (12)(a) For purposes of this chapter, and in accordance
15 with this section and RCW 36.29.190, the treasurer may collect taxes,
16 assessments, fees, rates, interest, and charges by electronic ~~((bill
17 presentment))~~ billing and payment. Electronic ~~((bill-presentment))~~
18 billing and payment may be ~~((utilized))~~ used as an option by the
19 taxpayer, but the treasurer may not require the use of electronic
20 ~~((bill-presentment))~~ billing and payment. Electronic bill presentment
21 and payment may be on a monthly or other periodic basis as the
22 treasurer deems proper for delinquent tax year payments only or for
23 prepayments of current tax. All prepayments must be paid in full by
24 the due date specified in (c) of this subsection. Payments on past
25 due taxes must include collection of the oldest delinquent year,
26 which includes interest and taxes within a twelve-month period, prior
27 to filing a certificate of delinquency under chapter 84.64 RCW or
28 distraint pursuant to RCW 84.56.070.

29 (b) The treasurer ~~((must))~~ may provide, by electronic means or
30 otherwise, a payment agreement that provides for payment of current
31 year taxes, inclusive of prepayment collection charges. The treasurer
32 may provide, by electronic means or otherwise, a payment agreement
33 for payment of past due delinquencies, which must also require
34 current year taxes to be paid timely. The payment agreement must be
35 signed by the taxpayer and treasurer prior to the sending of an
36 electronic or alternative bill, which includes a payment plan for
37 current year taxes. The treasurer may accept partial payment of
38 current and delinquent taxes including interest and penalties using
39 electronic bill presentment and payments.

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

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

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

18 (~~(12)~~) (13) In addition to the payment program in subsection
19 (12)(b) of this section, the treasurer may accept partial payment of
20 current and delinquent taxes including interest and penalties by any
21 means authorized.

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

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

28 (b) "Internet" has the same meaning as provided in RCW
29 19.270.010.

30 **Sec. 2.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to
31 read as follows:

32 (1) On (~~receiving the tax rolls the treasurer shall post~~)
33 receipt of the certification of the tax rolls from the county
34 assessor, the county treasurer must transfer all real and personal
35 property taxes from the rolls to the treasurer's tax roll, and
36 (~~shall~~) must carry forward to the current tax rolls a memorandum of
37 all delinquent taxes on each and every description of property, (~~and~~
38 ~~enter the same on the property upon which the taxes are delinquent~~
39 ~~showing the amounts for each year. The treasurer shall notify each~~

1 ~~taxpayer in the county, at the expense of the county, of the amount~~
2 ~~of the real and personal property, and the current and delinquent~~
3 ~~amount of tax due on the same; and the treasurer shall have printed~~
4 ~~on the notice the name of each tax and the levy made on the same. The~~
5 ~~county treasurer shall be the sole collector of all delinquent taxes~~
6 ~~and all other taxes due and collectible on the tax rolls of the~~
7 ~~county: PROVIDED, That the term "taxpayer" as used in this section~~
8 ~~shall)) entering which taxes are delinquent and the amounts for each~~
9 ~~year. Except as provided otherwise in this section, the treasurer~~
10 ~~must provide a printed notice or electronically publish, at the~~
11 ~~expense of the county, information for each taxpayer, regarding the~~
12 ~~amount of real and personal property, and the name of each tax and~~
13 ~~levy made on the same. The county treasurer must be the sole~~
14 ~~collector of all taxes, current or delinquent.~~

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

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

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

24 (b) The real property taxes are paid by a bank, as defined in RCW
25 62A.1-201, the name of each tax and levy in the property tax
26 information on the county treasurer's web site satisfies the notice
27 requirements of this section.

28 **Sec. 3.** RCW 82.45.090 and 2009 c 350 s 8 are each amended to
29 read as follows:

30 (1) Except for a sale of a beneficial interest in real property
31 where no instrument evidencing the sale is recorded in the official
32 real property records of the county in which the property is located,
33 the tax imposed by this chapter ((~~shall~~)) must be paid to and
34 collected by the treasurer of the county within which is located the
35 real property ((~~which~~)) that was sold. In collecting the tax the
36 county treasurer ((~~shall~~)) must act as agent for the state. The
37 county treasurer ((~~shall~~)) must cause a verification of payment
38 evidencing satisfaction of the lien to be affixed to the instrument
39 of sale or conveyance prior to its recording or to the real estate

1 excise tax affidavit in the case of used mobile home sales and used
2 floating home sales. A receipt issued by the county treasurer for the
3 payment of the tax imposed under this chapter (~~shall be~~) is
4 evidence of the satisfaction of the lien imposed (~~hereunder~~) in
5 this section and may be recorded in the manner prescribed for
6 recording satisfactions of mortgages. No instrument of sale or
7 conveyance evidencing a sale subject to the tax (~~shall~~) may be
8 accepted by the county auditor for filing or recording until the tax
9 (~~shall have been~~) is paid and the verification of payment affixed
10 thereto; in case the tax is not due on the transfer, the instrument
11 (~~shall~~) may not be so accepted until suitable notation of such fact
12 has been made on the instrument by the treasurer. (~~Any time there is~~
13 a) At the sale of a used mobile home, used manufactured home, used
14 park model, or used floating home that has not been title eliminated,
15 property taxes must be current in order to complete the processing of
16 the real estate excise tax affidavit or other documents transferring
17 title. Verification that the property taxes are current must be noted
18 on the mobile home real estate excise tax affidavit or on a form
19 approved by the county treasurer. For the purposes of this
20 subsection, "mobile home," "manufactured home," and "park model" have
21 the same meaning as provided in RCW 59.20.030.

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

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

35 NEW SECTION. **Sec. 4.** 2014 c 13 s 3 (uncodified) is repealed.

Passed by the House April 13, 2017.
Passed by the Senate March 31, 2017.
Approved by the Governor April 27, 2017.

Filed in Office of Secretary of State April 27, 2017.

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