

2SHB 1105 - H AMD 211

By Representative Kraft

NOT ADOPTED 03/12/2019

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

3 "Sec. 1. RCW 84.56.020 and 2017 c 142 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
9 purposes, and also of all fines, forfeitures or penalties received
10 by any person or officer for the use of his or her county. No
11 treasurer may accept tax payments or issue receipts for the same
12 until the treasurer has completed the tax roll for the current
13 year's collection and provided notification of the completion of the
14 roll. Notification may be accomplished electronically, by posting a
15 notice in the office, or through other written communication as
16 determined by the treasurer. All real and personal property taxes
17 and assessments made payable by the provisions of this title are due
18 and payable to the county treasurer on or before the thirtieth day
19 of April and, except as provided in this section, are delinquent
20 after 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

1 (ii) The county legislative authority in turn has certified
2 taxes levied to the county assessor by November 30th per RCW
3 84.52.070; and

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

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

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

14 (i) Property tax exemption program pursuant to RCW 84.36.379
15 through 84.36.389; and

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

17 **Tax payment due dates.**

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

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

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

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
30 by one person is fifty dollars or more, and if one-half of such tax
31 is paid after the thirtieth day of April but before the thirty-first
32 day of October, together with the applicable interest and penalty on
33 the full amount of tax payable for that year, the remainder of such
34

1 tax is due and payable on or before the following thirty-first day
2 of October and is delinquent after that date.

3 Delinquent tax payments: Interest, penalties, and treasurer
4 duties.

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

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

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

19 ~~(c) If a taxpayer is successfully participating in a payment~~
20 ~~agreement under subsection (12) (b) of this section or a partial~~
21 ~~payment program pursuant to subsection (13) of this section, the~~
22 ~~county treasurer may not assess additional penalties on delinquent~~
23 ~~taxes that are included within the payment agreement. Interest and~~
24 ~~penalties that have been assessed prior to the payment agreement~~
25 ~~remain due and payable as provided in the payment agreement)) the
26 following remain due and payable as provided in any payment agreement:~~

27 (a) interest that has been assessed prior to the payment
28 agreement; and

29 (b) penalties, assessed prior to the effective date of this
30 act, that have been assessed prior to the payment agreement.

31 (6) A county treasurer must provide notification to each
32 taxpayer whose taxes have become delinquent under subsections (4)
33 and (5) of this section. The delinquency notice must specify where
34 the taxpayer can obtain:

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

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

5 (c) Where the taxpayer pays his or her property taxes directly,
6 the contact information, including but not limited to the phone
7 number, for the statewide foreclosure hotline recommended by the
8 Washington state housing finance commission.

9 **Collection of foreclosure costs.**

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

13 ~~(b) ((For the purposes of this section, "tax foreclosure~~
14 ~~avoidance costs" means those direct costs associated with the~~
15 ~~administration of properties subject to and prior to foreclosure.~~

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

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

30 ~~((7))~~ **Periods of armed conflict.**

31 (8) Subsection (5) of this section notwithstanding, no interest
32 or penalties may be assessed during any period of armed conflict
33 regarding delinquent taxes imposed on the personal residences owned
34 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))~~ **State of emergency.**

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

10 ~~((+9))~~ **Retention of funds from interest.**

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

13 ~~((+10))~~ (11) For purposes of this chapter, "interest" means
14 both interest and penalties.

15 ~~((+11))~~ **Retention of funds from property foreclosures and sales.**

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

25 ~~((+12)(a))~~ **Tax due dates and options for tax payment collections.**

26 **Electronic billings and payments.**

27 (13) For purposes of this chapter, and in accordance with this
28 section and RCW 36.29.190, the treasurer may collect taxes,
29 assessments, fees, rates, interest, and charges by electronic
30 billing and payment. Electronic billing and payment may be used as
31 an option by the taxpayer, but the treasurer may not require the use
32 of electronic billing and payment. Electronic bill presentment and
33 payment may be on a monthly or other periodic basis as the treasurer
34 deems proper for:

1 (a) Delinquent tax year payments ((only or for)); and

2 (b) Prepayments of current tax.

3 **Tax payments.**

4 **Prepayment for current taxes.**

5 (14)(a) The treasurer may accept prepayments for current year
6 taxes by any means authorized. All prepayments must be paid in full
7 by the due date specified in ((e) of this) subsection (15) of this
8 section. ((Payments on past due taxes must include collection of the
9 oldest delinquent year, which includes interest and taxes within a
10 twelvemonth period, prior to filing a certificate of delinquency
11 under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.))

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
23 delinquencies(~~(, which must also require current year taxes to be~~
24 ~~paid timely)). The payment agreement must be signed by the taxpayer~~
25 ~~and treasurer or the treasurer's deputy prior to the sending of an~~
26 ~~electronic or alternative bill, which includes a payment plan for~~
27 ~~((current year taxes. The treasurer may accept partial payment of~~
28 ~~current and delinquent taxes including interest and penalties using~~
29 ~~electronic bill presentment and payments.~~
30 ~~(e)) past due delinquent taxes and charges.~~

31 (B) Tax payments received by a treasurer for delinquent year
32 taxes from a taxpayer participating on a payment agreement must be
33 applied first to the oldest delinquent year unless such taxpayer
34 requests otherwise.

1 Partial payments: Acceptance of partial payments for current and
2 delinquent taxes.

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

7 (ii) All tax payments received by a treasurer for delinquent
8 year taxes from a taxpayer paying a partial payment must be applied
9 first to the oldest delinquent year unless such taxpayer requests
10 otherwise.

11 Payment for delinquent taxes.

12 (d) Payments on past due taxes must include collection of the
13 oldest delinquent year, which includes interest and taxes within a
14 twelve-month period, prior to filing a certificate of delinquency
15 under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

16 Due date for tax payments.

17 (15) All taxes upon real and personal property made payable by
18 the provisions of this title are due and payable to the treasurer on
19 or before the thirtieth day of April and are delinquent after that
20 date. The remainder of the tax is due and payable on or before the
21 following thirty-first of October and is delinquent after that date.
22 All other assessments, fees, rates, and charges are delinquent after
23 the due date.

24 ((+d)) Electronic funds transfers.

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

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

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

1 ~~((e))~~ **Payment for administering prepayment collections.**

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

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

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

13 **Definitions.**

14 (18) The definitions in this subsection apply throughout this
15 section unless the context clearly requires otherwise.

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

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

21 (c) "Tax foreclosure avoidance costs" means those direct costs
22 associated with the administration of properties subject to and
23 prior to foreclosure. Tax foreclosure 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

30 **Sec. 2.** RCW 84.64.225 and 2015 c 95 s 11 are each amended to
31 read as follows:

32 (1) In lieu of the sale procedure specified in RCW 84.56.070 or
33 84.64.080, the county treasurer may conduct a public auction sale by
34 electronic media as provided in RCW 36.16.145.

1 (2) Notice of a public auction sale by electronic media must be
2 substantially in the following form:

3 TAX JUDGMENT SALE BY ELECTRONIC MEDIA

4 Public notice is hereby given that pursuant to a tax judgment of
5 the superior court of the county of in the state of
6 Washington, and an order of sale duly issued by the court, entered
7 the day of,, in proceedings for
8 foreclosure of tax liens, I shall on the day of,
9, commencing at o'clock . . ., at . . [specify web
10 site address], sell the property to the highest and best
11 bidder to satisfy the full amount of taxes, interest, and costs
12 adjudged to be due. Prospective bidders must deposit to
13 participate in bidding. A deposit paid by a winning bidder will be
14 applied to the balance due. However, a winning bidder who does not
15 comply with the terms of sale will forfeit the deposit. Deposits
16 paid by nonwinning bidders will be refunded within ten business days
17 of the close of the sale. Payment of deposits and a winning bid must
18 be made by electronic funds transfer. In the case of an online
19 public auction sale by electronic media as provided in RCW
20 36.16.145, a winning bidder is allowed no less than forty-eight
21 hours to pay the winning bid by electronic funds transfer.

22 In witness whereof, I have affixed my hand and seal this
23 day of,

24 Treasurer of county.

25

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

28 (1) No claims are allowed against the county from any
29 municipality, school district, road district or other taxing
30 district for taxes levied on property acquired by the county by tax
31 deed under the provisions of this chapter, but all taxes must at the
32 time of deeding the property be thereby canceled. However, the
33 proceeds of any sale of any property acquired by the county by tax
34 deed must first be applied to reimburse the county for the costs of

1 foreclosure and sale. The remainder of the proceeds, if any, must be
2 applied to pay any amounts deferred under chapter 84.37 or 84.38 RCW
3 on the property, including accrued interest, and outstanding at the
4 time the county acquired the property by tax deed. The remainder of
5 the proceeds, if any, must be justly apportioned to the various
6 funds existing at the date of the sale, in the territory in which
7 such property is located, according to the tax levies of the year
8 last in process of collection.

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

13

14 **Sec. 4.** RCW 84.64.050 and 2013 c 221 s 12 are each amended to
15 read as follows:

16 (1) Except as provided in subsection (7) of this section, after
17 the expiration of three years from the date of delinquency, when any
18 property remains on the tax rolls for which no certificate of
19 delinquency has been issued, the county treasurer must proceed to
20 issue certificates of delinquency on the property to the county for
21 all years' taxes, interest, and costs. However, the county
22 treasurer, with the consent of the county legislative authority, may
23 elect to issue a certificate for fewer than all years' taxes,
24 interest, and costs to a minimum of the taxes, interest, and costs
25 for the earliest year.

26 (2) Certificates of delinquency are prima facie evidence that:

27 (a) The property described was subject to taxation at the time
28 the same was assessed;

29 (b) The property was assessed as required by law;

30 (c) The taxes or assessments were not paid at any time before
31 the issuance of the certificate;

32 (d) Such certificate has the same force and effect as a lis
33 pendens required under chapter 4.28 RCW.

34

1 (3) The county treasurer may include in the certificate of
2 delinquency any assessments which are due on the property and are
3 the responsibility of the county treasurer to collect. However, if
4 the department of revenue has previously notified the county
5 treasurer in writing that the property has a lien on it for deferred
6 property taxes, the county treasurer must include in the certificate
7 of delinquency any amounts deferred under chapters 84.37 and 84.38
8 RCW that remain unpaid, including accrued interest and costs.

9 (4) The treasurer must file the certificates when completed with
10 the clerk of the court at no cost to the treasurer, and the
11 treasurer must thereupon, with legal assistance from the county
12 prosecuting attorney, proceed to foreclose in the name of the
13 county, the tax liens embraced in such certificates. Notice and
14 summons must be served or notice given in a manner reasonably
15 calculated to inform the owner or owners, and any person having a
16 recorded interest in or lien of record upon the property, of the
17 foreclosure action to appear within thirty days after service of
18 such notice and defend such action or pay the amount due. Either (a)
19 personal service upon the owner or owners and any person having a
20 recorded interest in or lien of record upon the property, or (b)
21 publication once in a newspaper of general circulation, which is
22 circulated in the area of the property and mailing of notice by
23 certified mail to the owner or owners and any person having a
24 recorded interest in or lien of record upon the property, or, if a
25 mailing address is unavailable, personal service upon the occupant
26 of the property, if any, is sufficient. If such notice is returned
27 as unclaimed, the treasurer must send notice by regular first-class
28 mail. The notice must include the legal description on the tax
29 rolls, the year or years for which assessed, the amount of tax and
30 interest due, and the name of owner, or reputed owner, if known, and
31 the notice must include the local street address, if any, for
32 informational purposes only. The certificates of delinquency issued
33 to the county may be issued in one general certificate in book form
34 including all property, and the proceedings to foreclose the liens

1 against the property may be brought in one action and all persons
2 interested in any of the property involved in the proceedings may be
3 made codefendants in the action, and if unknown may be therein named
4 as unknown owners, and the publication of such notice is sufficient
5 service thereof on all persons interested in the property described
6 therein, except as provided above. The person or persons whose name
7 or names appear on the treasurer's rolls as the owner or owners of
8 the property must be considered and treated as the owner or owners
9 of the property for the purpose of this section, and if upon the
10 treasurer's rolls it appears that the owner or owners of the
11 property are unknown, then the property must be proceeded against,
12 as belonging to an unknown owner or owners, as the case may be, and
13 all persons owning or claiming to own, or having or claiming to have
14 an interest therein, are hereby required to take notice of the
15 proceedings and of any and all steps thereunder. However, prior to
16 the sale of the property, the treasurer must order or conduct a
17 title search of the property to be sold to determine the legal
18 description of the property to be sold and the record title holder,
19 and if the record title holder or holders differ from the person or
20 persons whose name or names appear on the treasurer's rolls as the
21 owner or owners, the record title holder or holders must be
22 considered and treated as the owner or owners of the property for
23 the purpose of this section, and are entitled to the notice provided
24 for in this section. Such title search must be included in the costs
25 of foreclosure.

26 (5) If the title search required by subsection (4) of this
27 section reveals a lien in favor of the state for deferred taxes on
28 the property under RCW 84.37.070 or 84.38.100 and such deferred
29 taxes are not already included in the certificate of delinquency,
30 the county treasurer must issue an amended certificate of
31 delinquency on the property to include the outstanding amount of
32 deferred taxes, including accrued interest. The amended certificate
33 of delinquency must be filed with the clerk of the court as provided
34 in subsection (4) of this section.

1 (6) The county treasurer may not sell property that is eligible
2 for deferral of taxes under chapter 84.38 RCW but must require the
3 owner of the property to file a declaration to defer taxes under
4 chapter 84.38 RCW.

5 (7) Except those parcels where the local governing entity has
6 declared and/or certified the parcel a nuisance affecting public
7 peace, safety, and welfare, or other similar code provision, in no
8 case may a certificate of delinquency be filed on property where the
9 tax delinquency under chapter 84.56 RCW is one hundred dollars or
10 less in total excluding interest and penalties.

11

12 NEW SECTION. Sec. 5. A new section is added to chapter 36.29
13 RCW to read as follows:

14 (1) The county treasurer must post a notice describing the:

15 (a) Property tax exemption program pursuant to RCW 84.36.379
16 through 84.36.389; and

17 (b) Property tax deferral program pursuant to chapter 84.38 RCW.

18 (2) The notice required under subsection (1) of this section
19 must be posted in a location visible to the public.

20

21 NEW SECTION. Sec. 6. This act takes effect January 1, 2020."

EFFECT: Eliminates the following penalties that accrue on
unpaid property tax in current law: (1) the 3% penalty assessed on
delinquent tax payments owed on June 1st of the year in which the
tax is due; and (2) the 5% penalty assessed on delinquent tax
payments owed December 1st of the year in which the tax is due.

Removes the provisions that:

- Required (within 90 days after a taxpayer is two years delinquent
in property taxes) the county treasurer to provide the name
and address of the delinquent taxpayer to a homeowner resource
center or other designated local or state entity recommended
by the Housing Finance Commission.
- Required treasurers to collect a 50-cent fee (to be deposited in
a homeowner protection account) levied against all billable
real property accounts that receive a tax statement which was
to be used to fund the counselor referral hotline and the
housing counseling activities.

34

- Created a homeowner protection account in the custody of the State Treasurer and that authorized the Department of Commerce to administer expenditures from the account for the counselor referral hotline, housing rescue loans, and housing counseling activities.
- Required county assessors, as applicable, to assist taxpayers in applying for the property tax exemption or tax deferral programs, or by referring them to a homeownership resource center.
- Required county treasurers and assessors to publicly display information about the property tax exemption and deferral programs in their office.

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