

E2SHB 1105 - S COMM AMD

By Committee on Local Government

NOT ADOPTED 04/11/2019

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 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.

1 **(b)** 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 **(c)** Each tax statement distributed to an address must include a
8 **notice with information describing the:**

9 **(i)** Property tax exemption program pursuant to RCW 84.36.379
10 **through 84.36.389; and**

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

12 **Tax payment due dates.**

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

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

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

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

31 **Delinquent tax payments: Interest, penalties, and treasurer**
32 **duties.**

33 (5) Except as provided in (c) of this subsection, delinquent
34 taxes under this section are subject to interest at the rate of
35 twelve percent per annum computed on a monthly basis on the amount of
36 tax delinquent from the date of delinquency until paid. Interest must
37 be calculated at the rate in effect at the time of the tax payment,
38 regardless of when the taxes were first delinquent. In addition,
39 delinquent taxes under this section are subject to penalties as
40 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 ~~((12))~~ (13)(b) of this section or a
9 partial payment program pursuant to subsection (13)~~(c)~~ of this
10 section, the county treasurer may not assess additional penalties on
11 delinquent taxes that are included within the payment agreement.
12 Interest and penalties that have been assessed prior to the payment
13 agreement remain due and payable as provided in the payment
14 agreement.

15 **Collection of foreclosure costs.**

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

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

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

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

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

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

36 **Periods of armed conflict.**

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 **State of emergency.**

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

10 **Retention of funds from interest.**

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

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

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

16 (11) 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 by
21 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 **Tax due dates and options for tax payment collections.**

26 **Electronic billings and payments.**

27 (12) ~~((a))~~ For purposes of this chapter, and in accordance with
28 this section and RCW 36.29.190, the treasurer may collect taxes,
29 assessments, fees, rates, interest, and charges by electronic billing
30 and payment. Electronic billing and payment may be used as an option
31 by the taxpayer, but the treasurer may not require the use of
32 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:

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

36 (b) Prepayments of current tax.

37 **Tax payments.**

38 **Prepayment for current taxes.**

39 (13) (a) The treasurer may accept prepayments for current year
40 taxes by any means authorized. All prepayments must be paid in full

1 by the due date specified in (~~(c) of this~~) subsection (14) of this
2 section. (~~Payments on past due taxes must include collection of the~~
3 ~~oldest delinquent year, which includes interest and taxes within a~~
4 ~~twelve-month period, prior to filing a certificate of delinquency~~
5 ~~under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.)~~)

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

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

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

15 (ii) (A) The treasurer may provide, by electronic means or
16 otherwise, a payment agreement for payment of past due
17 delinquencies (~~(, which must also require current year taxes to be~~
18 ~~paid timely)~~). The payment agreement must be signed by the taxpayer
19 and treasurer or the treasurer's deputy prior to the sending of an
20 electronic or alternative bill, which includes a payment plan for
21 (~~current year taxes. The treasurer may accept partial payment of~~
22 ~~current and delinquent taxes including interest and penalties using~~
23 ~~electronic bill presentment and payments.~~

24 ~~(c))~~ past due delinquent taxes and charges.

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

29 **Partial payments: Acceptance of partial payments for current and**
30 **delinquent taxes.**

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

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

39 **Payment for delinquent taxes.**

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

5 **Due date for tax payments.**

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

13 ~~((d))~~ **Electronic funds transfers.**

14 (15) A county treasurer may authorize payment of:

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

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

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

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

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

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

36 **Definitions.**

37 (17) The definitions in this subsection apply throughout this
38 section unless the context clearly requires otherwise.

39 (a) "Electronic billing and payment" means statements, invoices,
40 or bills that are created, delivered, and paid using the internet.

1 The term includes an automatic electronic payment from a person's
2 checking account, debit account, or credit card.

3 (b) "Internet" has the same meaning as provided in RCW
4 19.270.010.

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

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

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

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

15 (1) In lieu of the sale procedure specified in RCW 84.56.070 or
16 84.64.080, the county treasurer may conduct a public auction sale by
17 electronic media as provided in RCW 36.16.145.

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

20 TAX JUDGMENT SALE BY ELECTRONIC MEDIA

21 Public notice is hereby given that pursuant to a tax judgment of
22 the superior court of the county of in the state of
23 Washington, and an order of sale duly issued by the court, entered
24 the day of,, in proceedings for
25 foreclosure of tax liens, I shall on the day
26 of,, commencing at o'clock, at . .
27 [specify web site address], sell the property to the
28 highest and best bidder to satisfy the full amount of taxes,
29 interest, and costs adjudged to be due. Prospective bidders must
30 deposit to participate in bidding. A deposit paid by a
31 winning bidder will be applied to the balance due. However, a winning
32 bidder who does not comply with the terms of sale will forfeit the
33 deposit. Deposits paid by nonwinning bidders will be refunded within
34 ten business days of the close of the sale. Payment of deposits and a
35 winning bid must be made by electronic funds transfer. In the case of
36 an online public auction sale by electronic media as provided in RCW
37 36.16.145, a winning bidder is allowed no less than forty-eight hours
38 to pay the winning bid by electronic funds transfer.

1 In witness whereof, I have affixed my hand and seal this
2 day of,
3 Treasurer of county.

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

6 (1) No claims are allowed against the county from any
7 municipality, school district, road district or other taxing district
8 for taxes levied on property acquired by the county by tax deed under
9 the provisions of this chapter, but all taxes must at the time of
10 deeding the property be thereby canceled. However, the proceeds of
11 any sale of any property acquired by the county by tax deed must
12 first be applied to reimburse the county for the costs of foreclosure
13 and sale. The remainder of the proceeds, if any, must be applied to
14 pay any amounts deferred under chapter 84.37 or 84.38 RCW on the
15 property, including accrued interest, and outstanding at the time the
16 county acquired the property by tax deed. The remainder of the
17 proceeds, if any, must be justly apportioned to the various funds
18 existing at the date of the sale, in the territory in which such
19 property is located, according to the tax levies of the year last in
20 process of collection.

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

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

27 (1) Except as provided in subsection (7) of this section, after
28 the expiration of three years from the date of delinquency, when any
29 property remains on the tax rolls for which no certificate of
30 delinquency has been issued, the county treasurer must proceed to
31 issue certificates of delinquency on the property to the county for
32 all years' taxes, interest, and costs. However, the county treasurer,
33 with the consent of the county legislative authority, may elect to
34 issue a certificate for fewer than all years' taxes, interest, and
35 costs to a minimum of the taxes, interest, and costs for the earliest
36 year.

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

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

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

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

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

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

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

1 to foreclose the liens against the property may be brought in one
2 action and all persons interested in any of the property involved in
3 the proceedings may be made codefendants in the action, and if
4 unknown may be therein named as unknown owners, and the publication
5 of such notice is sufficient service thereof on all persons
6 interested in the property described therein, except as provided
7 above. The person or persons whose name or names appear on the
8 treasurer's rolls as the owner or owners of the property must be
9 considered and treated as the owner or owners of the property for the
10 purpose of this section, and if upon the treasurer's rolls it appears
11 that the owner or owners of the property are unknown, then the
12 property must be proceeded against, as belonging to an unknown owner
13 or owners, as the case may be, and all persons owning or claiming to
14 own, or having or claiming to have an interest therein, are hereby
15 required to take notice of the proceedings and of any and all steps
16 thereunder. However, prior to the sale of the property, the treasurer
17 must order or conduct a title search of the property to be sold to
18 determine the legal description of the property to be sold and the
19 record title holder, and if the record title holder or holders differ
20 from the person or persons whose name or names appear on the
21 treasurer's rolls as the owner or owners, the record title holder or
22 holders must be considered and treated as the owner or owners of the
23 property for the purpose of this section, and are entitled to the
24 notice provided for in this section. Such title search must be
25 included in the costs 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 taxes
29 are not already included in the certificate of delinquency, the
30 county treasurer must issue an amended certificate of delinquency on
31 the property to include the outstanding amount of deferred taxes,
32 including accrued interest. The amended certificate of delinquency
33 must be filed with the clerk of the court as provided in subsection
34 (4) of this section.

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

39 (7) Except those parcels where the local governing entity has
40 declared and/or certified the parcel a nuisance affecting public

1 peace, safety, and welfare, or other similar code provision, in no
2 case may a certificate of delinquency be filed on property where the
3 tax delinquency under chapter 84.56 RCW is one hundred dollars or
4 less in total excluding interest and penalties.

5 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.56
6 RCW to read as follows:

7 (1) If a taxpayer requests assistance for payment of current year
8 or delinquent taxes, the county assessor, if applicable:

9 (a) May assist the taxpayer in applying for a property tax
10 exemption program under RCW 84.36.379 through 84.36.389; or

11 (b) May assist the taxpayer in applying for the property tax
12 deferral program under chapter 84.38 RCW; and

13 (c) Must refer the taxpayer to the statewide foreclosure hotline
14 recommended by the Washington state housing finance commission.

15 (2) A county treasurer may also refer a taxpayer requesting tax
16 payment assistance to the county assessor's office under subsection
17 (1) of this section.

18 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.29
19 RCW to read as follows:

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

21 (a) Property tax exemption program pursuant to RCW 84.36.379
22 through 84.36.389; and

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

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

26 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.21
27 RCW to read as follows:

28 (1) The county assessor must post a notice describing the:

29 (a) Property tax exemption program pursuant to RCW 84.36.379
30 through 84.36.389; and

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

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

34 NEW SECTION. **Sec. 8.** This act takes effect January 1, 2020."

NOT ADOPTED 04/11/2019

1 On page 1, line 1 of the title, after "foreclosure;" strike the
2 remainder of the title and insert "amending RCW 84.56.020, 84.64.225,
3 36.35.110, and 84.64.050; adding a new section to chapter 84.56 RCW;
4 adding a new section to chapter 36.29 RCW; adding a new section to
5 chapter 36.21 RCW; and providing an effective date."

EFFECT: Removes the provision eliminating penalties that accrue on unpaid property tax. Provides that the county assessor may, rather than must, assist taxpayers in applying for the property tax exemption available to senior citizens and service-connected disabled veterans or in applying for the property tax deferral program for retired persons, if the taxpayer requests assistance for payment of current year or delinquent taxes. Provides that the county assessor must refer the taxpayer to the statewide foreclosure hotline recommended by the Washington State Housing Finance Commission, rather than a homeownership resource center, if the taxpayer requests assistance for payment of current year or delinquent taxes. Requires that payments on past due taxes must include collection of the oldest delinquent year, which includes interest and taxes within an 18-month period, prior to filing a certificate of delinquency, as opposed to a 12-month period.

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