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**SUBSTITUTE SENATE BILL 5231**

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**State of Washington**

**56th Legislature**

**1999 Regular Session**

**By** Senate Committee on State & Local Government (originally sponsored by Senators Hale, Winsley and Snyder)

Read first time 02/09/99.

1 AN ACT Relating to duties of the county treasurer pertaining to  
2 treasury management; amending RCW 28A.320.300, 28A.320.310,  
3 28A.320.320, 36.29.020, 36.48.070, 54.24.010, 84.64.050, 84.64.080, and  
4 84.64.120; and providing an effective date.

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

6 **Sec. 1.** RCW 28A.320.300 and 1990 c 33 s 335 are each amended to  
7 read as follows:

8 Any common school district board of directors is empowered to  
9 direct and authorize, and to delegate authority to an employee,  
10 officer, or agent of the common school district or the educational  
11 service district to direct and authorize, the county treasurer to  
12 invest funds described in RCW 28A.320.310 and 28A.320.320 and funds  
13 from state and federal sources as are then or thereafter received by  
14 the educational service district, and such funds from county sources as  
15 are then or thereafter received by the county treasurer, for  
16 distribution to the common school districts. Funds from state, county  
17 and federal sources which are so invested may be invested only for the  
18 period the funds are not required for the immediate necessities of the  
19 common school district as determined by the school district board of

1 directors or its delegatee, and shall be invested in behalf of the  
2 common school district pursuant to the terms of RCW 28A.320.310,  
3 28A.320.320, ~~((or))~~ 36.29.020, 36.29.022, or 36.29.024 as the nature of  
4 the funds shall dictate. A grant of authority by a common school  
5 district pursuant to this section shall be by resolution of the board  
6 of directors and shall specify the duration and extent of the authority  
7 so granted. Any authority delegated to an educational service district  
8 pursuant to this section may be redelegated pursuant to RCW  
9 28A.310.220.

10 **Sec. 2.** RCW 28A.320.310 and 1990 c 33 s 336 are each amended to  
11 read as follows:

12 The board of directors of any school district of the state of  
13 Washington which now has, or hereafter shall have, funds in the capital  
14 projects fund of the district in the office of the county treasurer  
15 which in the judgment of said board are not required for the immediate  
16 necessities of the district, may invest and reinvest all, or any part,  
17 of such funds ~~((in United States securities, as hereinafter specified  
18 after and pursuant to a resolution adopted by the board, authorizing  
19 and directing the county treasurer, as ex officio the treasurer of said  
20 district, to invest or reinvest, said moneys or any designated amount  
21 thereof in United States securities and specifying the type or  
22 character of the United States securities in which said moneys shall be  
23 invested))~~ pursuant to RCW 35.39.030, 36.29.020, 36.29.022, 36.29.024,  
24 39.59.020, 39.59.030, and 43.84.080: PROVIDED, That nothing herein  
25 authorized, or the type and character of the securities thus specified,  
26 shall have in itself the effect of delaying any program of building for  
27 which said funds shall have been authorized. Said funds and said  
28 securities and the profit and interest thereon, and the proceeds  
29 thereof, shall be held by the county treasurer to the credit and  
30 benefit of the capital projects fund of the district in the county  
31 treasurer's office. ~~((If in the judgment of the board it shall be  
32 necessary to redeem or to sell any of the purchased securities before  
33 their ultimate maturity date, the board may, by resolution, direct the  
34 county treasurer to cause such redemption to be had at the "Redemption  
35 Value" of said securities or to sell said bonds and securities at not  
36 less than market value and accrued interest. The foregoing  
37 "securities" shall include United States bonds, federal treasury notes  
38 and treasury bonds and United States certificates of indebtedness and~~

1 other federal securities which may, during the life of this statute,  
2 come within the terms of this section.))

3 **Sec. 3.** RCW 28A.320.320 and 1983 c 66 s 1 are each amended to read  
4 as follows:

5 The county treasurer, or the trustee, guardian, or any other  
6 custodian of any school fund, when authorized to do so by the board of  
7 directors of any school district, shall invest or reinvest any school  
8 funds of such district in investment (~~(deposits in any qualified public~~  
9 ~~depository, or any obligations, securities, certificates, notes, bonds,~~  
10 ~~or short term securities or obligations, of the United States))~~  
11 securities pursuant to RCW 36.29.020 and 36.29.022. The county  
12 treasurer shall have the power to select the particular investment in  
13 which said funds may be invested. All earnings and income from such  
14 investments shall inure to the benefit of any school fund designated by  
15 the board of directors of the school district which such board may  
16 lawfully designate: PROVIDED, That any interest or earnings being  
17 credited to a fund different from that which earned the interest or  
18 earnings shall only be expended for instructional supplies, equipment  
19 or capital outlay purposes. This section shall apply to all funds  
20 which may be lawfully so invested or reinvested which in the judgment  
21 of the school board are not required for the immediate necessities of  
22 the district.

23 Five percent of the interest or earnings, with an annual minimum of  
24 ten dollars or annual maximum of fifty dollars, on any transactions  
25 authorized by each resolution of the board of school directors shall be  
26 paid as an investment service fee to the office of county treasurer  
27 when the interest or earnings becomes available to the school district  
28 or an amount as determined pursuant to RCW 36.29.022 and 36.29.024.

29 **Sec. 4.** RCW 36.29.020 and 1997 c 393 s 4 are each amended to read  
30 as follows:

31 The county treasurer shall keep all moneys belonging to the state,  
32 or to any county, in his or her own possession until disbursed  
33 according to law. The county treasurer shall not place the same in the  
34 possession of any person to be used for any purpose; nor shall he or  
35 she loan or in any manner use or permit any person to use the same; but  
36 it shall be lawful for a county treasurer to deposit any such moneys in  
37 any regularly designated qualified public depository. Any municipal

1 corporation may by action of its governing body authorize any of its  
2 funds which are not required for immediate expenditure, and which are  
3 in the custody of the county treasurer or other municipal corporation  
4 treasurer, to be invested by such treasurer. The county treasurer may  
5 invest in savings or time accounts in designated qualified public  
6 depositaries or in certificates, notes, or bonds of the United States,  
7 or other obligations of the United States or its agencies, or of any  
8 corporation wholly owned by the government of the United States; in  
9 bankers' acceptances purchased on the secondary market, in federal home  
10 loan bank notes and bonds, federal land bank bonds and federal national  
11 mortgage association notes, debentures and guaranteed certificates of  
12 participation, or the obligations of any other government sponsored  
13 corporation whose obligations are or may become eligible as collateral  
14 for advances to member banks as determined by the board of governors of  
15 the federal reserve system or deposit such funds or any portion thereof  
16 in investment deposits as defined in RCW 39.58.010 secured by  
17 collateral in accordance with the provisions of chapters 39.58 and  
18 39.59 RCW: PROVIDED, Five percent of the earnings, with an annual  
19 maximum of fifty dollars, on each transaction authorized by the  
20 governing body shall be paid as an investment service fee to the office  
21 of the county treasurer or other municipal corporation treasurer when  
22 the earnings become available to the governing body: PROVIDED FURTHER,  
23 That if such investment service fee amounts to five dollars or less the  
24 county treasurer or other municipal corporation treasurer may waive  
25 such fee.

26 If in the judgment of the governing body of the municipal  
27 corporation or the county treasurer it is necessary to redeem or to  
28 sell any of the purchased securities before their ultimate maturity  
29 date, the governing body may, by resolution, direct the county  
30 treasurer pursuant to RCW 36.29.010(8) to cause such redemption to be  
31 had at the redemption value of the securities or to sell the securities  
32 at not less than market value and accrued interest.

33 Whenever the funds of any municipal corporation which are not  
34 required for immediate expenditure are in the custody or control of the  
35 county treasurer, and the governing body of such municipal corporation  
36 has not taken any action pertaining to the investment of any such  
37 funds, the county finance committee shall direct the county treasurer,  
38 under the investment policy of the county finance committee, to invest,  
39 to the maximum prudent extent, such funds or any portion thereof in

1 savings or time accounts in designated qualified public depositaries or  
2 in certificates, notes, or bonds of the United States, or other  
3 obligations of the United States or its agencies, or of any corporation  
4 wholly owned by the government of the United States, in bankers'  
5 acceptances purchased on the secondary market, in federal home loan  
6 bank notes and bonds, federal land bank bonds and federal national  
7 mortgage association notes, debentures and guaranteed certificates of  
8 participation, or the obligations of any other government sponsored  
9 corporation whose obligations are or may become eligible as collateral  
10 for advances to member banks as determined by the board of governors of  
11 the federal reserve system or deposit such funds or any portion thereof  
12 in investment deposits as defined in RCW 39.58.010 secured by  
13 collateral in accordance with the provisions of chapters 39.58 and  
14 39.59 RCW: PROVIDED, That the county treasurer shall have the power to  
15 select the specific qualified financial institution in which the funds  
16 may be invested. The interest or other earnings from such investments  
17 or deposits shall be deposited in the current expense fund of the  
18 county and may be used for general county purposes. The investment or  
19 deposit and disposition of the interest or other earnings therefrom  
20 authorized by this paragraph shall not apply to such funds as may be  
21 prohibited by the state Constitution from being so invested or  
22 deposited.

23 **Sec. 5.** RCW 36.48.070 and 1991 c 245 s 11 are each amended to read  
24 as follows:

25 The county treasurer, the county auditor, and the chair of the  
26 county legislative authority, ex officio, shall constitute the county  
27 finance committee. The county treasurer shall act as chair of the  
28 committee and the county auditor as secretary thereof. The committee  
29 shall keep a full and complete record of all its proceedings in  
30 appropriate books of record and all such records and all correspondence  
31 relating to the committee shall be kept in the office of the county  
32 auditor and shall be open to public inspection. The committee shall  
33 approve county investment policy and a debt policy and shall make  
34 appropriate rules and regulations for the carrying out of the  
35 provisions of RCW 36.48.010 through 36.48.060, not inconsistent with  
36 law.

1       **Sec. 6.** RCW 54.24.010 and 1959 c 218 s 2 are each amended to read  
2 as follows:

3       The treasurer of the county in which a utility district is located  
4 shall be ex officio treasurer of the district: PROVIDED, That the  
5 commission by resolution may designate some other person having  
6 experience in financial or fiscal matters as treasurer of the utility  
7 district. The commission may(~~(, and if the treasurer is not the county~~  
8 ~~treasurer it shall,)) require a bond, with a surety company authorized  
9 to do business in the state of Washington, in an amount and under the  
10 terms and conditions which the commission by resolution from time to  
11 time finds will protect the district against loss. The premium on any  
12 such bond shall be paid by the district.~~

13       All district funds shall be paid to the treasurer and shall be  
14 disbursed by him only on warrants issued by an auditor appointed by the  
15 commission, upon orders or vouchers approved by it. The treasurer  
16 shall establish a public utility district fund, into which shall be  
17 paid all district funds, and he shall maintain such special funds as  
18 may be created by the commission, into which he shall place all money  
19 as the commission may, by resolution, direct.

20       If the treasurer of the district is the treasurer of the county all  
21 district funds shall be deposited with the county depositaries under  
22 the same restrictions, contracts, and security as provided for county  
23 depositaries; if the treasurer of the district is some other person,  
24 all funds shall be deposited in such bank or banks authorized to do  
25 business in this state as the commission by resolution shall designate,  
26 and with surety bond to the district or securities in lieu thereof of  
27 the kind, no less in amount, as provided in RCW 36.48.020 for deposit  
28 of county funds.

29       Such surety bond or securities in lieu thereof shall be filed or  
30 deposited with the treasurer of the district, and approved by  
31 resolution of the commission.

32       All interest collected on district funds shall belong to the  
33 district and be deposited to its credit in the proper district funds.

34       A district may provide and require a reasonable bond of any other  
35 person handling moneys or securities of the district: PROVIDED, That  
36 the district pays the premium thereon.

37       **Sec. 7.** RCW 84.64.050 and 1991 c 245 s 25 are each amended to read  
38 as follows:

1 After the expiration of three years from the date of delinquency,  
2 when any property remains on the tax rolls for which no certificate of  
3 delinquency has been issued, the county treasurer shall proceed to  
4 issue certificates of delinquency on the property to the county for all  
5 years' taxes, interest, and costs: PROVIDED, That the county  
6 treasurer, with the consent of the county legislative authority, may  
7 elect to issue a certificate for fewer than all years' taxes, interest,  
8 and costs to a minimum of the taxes, interest, and costs for the  
9 earliest year.

10 Certificates of delinquency shall be prima facie evidence that:

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

13 (2) The property was assessed as required by law;

14 (3) The taxes or assessments were not paid at any time before the  
15 issuance of the certificate;

16 (4) Such certificate shall have the same force and effect as a lis  
17 pendens required under chapter 4.28 RCW.

18 The county treasurer may include in the certificate of delinquency  
19 any assessments which are due on the property and are the  
20 responsibility of the county treasurer to collect. For purposes of  
21 this chapter, "taxes, interest, and costs" include any assessments  
22 which are so included by the county treasurer, and "interest" means  
23 interest and penalties unless the context requires otherwise.

24 The treasurer shall file the certificates when completed with the  
25 clerk of the court at no cost to the treasurer, and the treasurer shall  
26 thereupon, with legal assistance from the county prosecuting attorney,  
27 proceed to foreclose in the name of the county, the tax liens embraced  
28 in such certificates. Notice and summons must be served or notice  
29 given in a manner reasonably calculated to inform the owner or owners,  
30 and any person having a recorded interest in or lien of record upon the  
31 property, of the foreclosure action to appear within thirty days after  
32 service of such notice and defend such action or pay the amount due.  
33 Either (a) personal service upon the owner or owners and any person  
34 having a recorded interest in or lien of record upon the property, or  
35 (b) publication once in a newspaper of general circulation, which is  
36 circulated in the area of the property and mailing of notice by  
37 certified mail to the owner or owners and any person having a recorded  
38 interest in or lien of record upon the property, or, if a mailing  
39 address is unavailable, personal service upon the occupant of the

1 property, if any, is sufficient. If such notice is returned as  
2 unclaimed, the treasurer shall send notice by regular first class mail.  
3 The notice shall include the legal description on the tax rolls, the  
4 year or years for which assessed, the amount of tax and interest due,  
5 and the name of owner, or reputed owner, if known, and the notice must  
6 include the local street address, if any, for informational purposes  
7 only. The certificates of delinquency issued to the county may be  
8 issued in one general certificate in book form including all property,  
9 and the proceedings to foreclose the liens against the property may be  
10 brought in one action and all persons interested in any of the property  
11 involved in the proceedings may be made codefendants in the action, and  
12 if unknown may be therein named as unknown owners, and the publication  
13 of such notice shall be sufficient service thereof on all persons  
14 interested in the property described therein, except as provided above.  
15 The person or persons whose name or names appear on the treasurer's  
16 rolls as the owner or owners of the property shall be considered and  
17 treated as the owner or owners of the property for the purpose of this  
18 section, and if upon the treasurer's rolls it appears that the owner or  
19 owners of the property are unknown, then the property shall be  
20 proceeded against, as belonging to an unknown owner or owners, as the  
21 case may be, and all persons owning or claiming to own, or having or  
22 claiming to have an interest therein, are hereby required to take  
23 notice of the proceedings and of any and all steps thereunder:  
24 PROVIDED, That prior to the sale of the property, the treasurer shall  
25 order or conduct a title search of the property to be sold to determine  
26 the legal description of the property to be sold and the record title  
27 holder, and if the record title holder or holders differ from the  
28 person or persons whose name or names appear on the treasurer's rolls  
29 as the owner or owners, the record title holder or holders shall be  
30 considered and treated as the owner or owners of the property for the  
31 purpose of this section, and shall be entitled to the notice provided  
32 for in this section. Such title search shall be included in the costs  
33 of foreclosure.

34 The county treasurer shall not sell property which is eligible for  
35 deferral of taxes under chapter 84.38 RCW but shall require the owner  
36 of the property to file a declaration to defer taxes under chapter  
37 84.38 RCW.



1       **Sec. 8.** RCW 84.64.080 and 1991 c 245 s 27 are each amended to read  
2 as follows:

3       The court shall examine each application for judgment foreclosing  
4 tax lien, and if defense (specifying in writing the particular cause of  
5 objection) be offered by any person interested in any of the lands or  
6 lots to the entry of judgment against the same, the court shall hear  
7 and determine the matter in a summary manner, without other pleadings,  
8 and shall pronounce judgment as the right of the case may be; or the  
9 court may, in its discretion, continue such individual cases, wherein  
10 defense is offered, to such time as may be necessary, in order to  
11 secure substantial justice to the contestants therein; but in all other  
12 cases the court shall proceed to determine the matter in a summary  
13 manner as above specified. In all judicial proceedings of any kind for  
14 the collection of taxes, and interest and costs thereon, all amendments  
15 which by law can be made in any personal action pending in such court  
16 shall be allowed, and no assessments of property or charge for any of  
17 the taxes shall be considered illegal on account of any irregularity in  
18 the tax list or assessment rolls or on account of the assessment rolls  
19 or tax list not having been made, completed or returned within the time  
20 required by law, or on account of the property having been charged or  
21 listed in the assessment or tax lists without name, or in any other  
22 name than that of the owner, and no error or informality in the  
23 proceedings of any of the officers connected with the assessment,  
24 levying or collection of the taxes, shall vitiate or in any manner  
25 affect the tax or the assessment thereof, and any irregularities or  
26 informality in the assessment rolls or tax lists or in any of the  
27 proceedings connected with the assessment or levy of such taxes or any  
28 omission or defective act of any officer or officers connected with the  
29 assessment or levying of such taxes, may be, in the discretion of the  
30 court, corrected, supplied and made to conform to the law by the court.  
31 The court shall give judgment for such taxes, interest and costs as  
32 shall appear to be due upon the several lots or tracts described in the  
33 notice of application for judgment or complaint, and such judgment  
34 shall be a several judgment against each tract or lot or part of a  
35 tract or lot for each kind of tax included therein, including all  
36 interest and costs, and the court shall order and direct the clerk to  
37 make and enter an order for the sale of such real property against  
38 which judgment is made, or vacate and set aside the certificate of  
39 delinquency or make such other order or judgment as in the law or

1 equity may be just. The order shall be signed by the judge of the  
2 superior court, shall be delivered to the county treasurer, and shall  
3 be full and sufficient authority for him or her to proceed to sell the  
4 property for the sum as set forth in the order and to take such further  
5 steps in the matter as are provided by law. The county treasurer shall  
6 immediately after receiving the order and judgment of the court proceed  
7 to sell the property as provided in this chapter to the highest and  
8 best bidder for cash. The acceptable minimum bid shall be the total  
9 amount of taxes, interest, (~~penalties~~) and costs. All sales shall  
10 be made at a location in the county on a date and time (except  
11 Saturdays, Sundays, or legal holidays) as the county treasurer may  
12 direct, and shall continue from day to day (Saturdays, Sundays, and  
13 legal holidays excepted) during the same hours until all lots or tracts  
14 are sold, after first giving notice of the time, and place where such  
15 sale is to take place for ten days successively by posting notice  
16 thereof in three public places in the county, one of which shall be in  
17 the office of the treasurer. The notice shall be substantially in the  
18 following form:

19 TAX JUDGMENT SALE

20 Public notice is hereby given that pursuant to real property tax  
21 judgment of the superior court of the county of . . . . . in the  
22 state of Washington, and an order of sale duly issued by the court,  
23 entered the . . . . day of . . . . ., . . . ., in proceedings for  
24 foreclosure of tax liens upon real property, as per provisions of law,  
25 I shall on the . . . . day of . . . . ., . . . ., at . . . . o'clock  
26 a.m., at . . . . . in the city of . . . . ., and county of  
27 . . . . ., state of Washington, sell the real property to the highest  
28 and best bidder for cash, to satisfy the full amount of taxes, interest  
29 and costs adjudged to be due.

30 In witness whereof, I have hereunto affixed my hand and seal this  
31 . . . . day of . . . . ., . . . . .

32 . . . . .  
33 Treasurer of . . . . .  
34 county.

35 No county officer or employee shall directly or indirectly be a  
36 purchaser of such property at such sale.



1 Now, therefore, know ye, that, I . . . . ., county treasurer of  
2 the county of . . . . ., state of Washington, in consideration of the  
3 premises and by virtue of the statutes of the state of Washington, in  
4 such cases provided, do hereby grant and convey unto . . . . ., his  
5 or her heirs and assigns, forever, the real property hereinbefore  
6 described.

7 Given under my hand and seal of office this . . . . day of  
8 . . . . ., A.D. . . . .

9 . . . . .  
10 County Treasurer.

11 **Sec. 9.** RCW 84.64.120 and 1991 c 245 s 28 are each amended to read  
12 as follows:

13 Appellate review of the judgment of the superior court may be  
14 sought as in other civil cases. However, review must be sought within  
15 thirty days after the entry of the judgment and the party taking such  
16 appeal shall deposit a sum equal to all taxes, interest, (~~penalties,~~)  
17 and costs with the clerk of the court, conditioned that the appellant  
18 shall prosecute the appeal with effect, and will pay the amount of any  
19 taxes, interest and costs which may be finally adjudged against the  
20 real property involved in the appeal by any court having jurisdiction  
21 of the cause. No appeal shall be allowed from any judgment for the  
22 sale of land or lot for taxes unless the party taking such appeal shall  
23 before the time of giving notice of such appeal, and within thirty days  
24 herein allowed within which to appeal, deposit with the clerk of the  
25 court of the county in which the land or lots are situated, an amount  
26 of money equal to the amount of the judgment and costs rendered in such  
27 cause by the trial court. If, in case of an appeal, the judgment of  
28 the lower court shall be affirmed, in whole or in part, the supreme  
29 court or the court of appeals shall enter judgment for the amount of  
30 taxes, interest and costs, with damages not to exceed twenty percent,  
31 and shall order that the amount deposited with the clerk of the court,  
32 or so much thereof as may be necessary, be credited upon the judgment  
33 so rendered, and execution shall issue for the balance of the judgment,  
34 damages and costs. The clerk of the supreme court or the clerk of the  
35 division of the court of appeals in which the appeal is pending shall  
36 transmit to the county treasurer of the county in which the land or  
37 lots are situated a certified copy of the order of affirmance, and it  
38 shall be the duty of such county treasurer upon receiving the same to

1 apply so much of the amount deposited with the clerk of the court, as  
2 shall be necessary to satisfy the amount of the judgment of the supreme  
3 court, and to account for the same as collected taxes. If the judgment  
4 of the superior court shall be reversed and the cause remanded for a  
5 rehearing, and if, upon a rehearing, judgment shall be rendered for the  
6 sale of the land or lots for taxes, or any part thereof, and such  
7 judgment be not appealed from, as herein provided, the clerk of such  
8 superior court shall certify to the county treasurer the amount of such  
9 judgment, and thereupon it shall be the duty of the county treasurer to  
10 certify to the county clerk the amount deposited with the clerk of the  
11 court, and the county clerk shall credit such judgment with the amount  
12 of such deposit, or so much thereof as will satisfy the judgment, and  
13 the county treasurer shall be chargeable and accountable for the amount  
14 so credited as collected taxes. Nothing herein shall be construed as  
15 requiring an additional deposit in case of more than one appeal being  
16 prosecuted in (~~{the}~~) the proceeding. If, upon a final hearing,  
17 judgment shall be refused for the sale of the land or lots for the  
18 taxes, (~~penalties,~~) interest, and costs, or any part thereof, in the  
19 proceedings, the county treasurer shall pay over to the party who shall  
20 have made such deposit, or his or her legally authorized agent or  
21 representative, the amount of the deposit, or so much thereof as shall  
22 remain after the satisfaction of the judgment against the land or lots  
23 in respect to which such deposit shall have been made.

24 NEW SECTION. **Sec. 10.** Section 5 of this act takes effect January  
25 1, 2000.

--- END ---