

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5705

Chapter 239, Laws of 2013

63rd Legislature
2013 Regular Session

PROPERTY TAXES--REFUNDS AND ABATEMENTS--TAXING DISTRICTS

EFFECTIVE DATE: 07/28/13

Passed by the Senate April 28, 2013
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 25, 2013
YEAS 98 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved May 14, 2013, 11:40 a.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5705** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

May 14, 2013

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5705

AS AMENDED BY THE HOUSE

Passed Legislature - 2013 Regular Session

State of Washington 63rd Legislature 2013 Regular Session

By Senate Governmental Operations (originally sponsored by Senators Brown, King, and Hatfield)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to amounts received by taxing districts from
2 property tax refunds and abatements; amending RCW 84.69.180, 84.56.020,
3 and 84.56.070; and creating a new section.

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

5 **Sec. 1.** RCW 84.69.180 and 2009 c 350 s 10 are each amended to read
6 as follows:

7 (1) Taxing districts other than the state may levy a tax upon all
8 the taxable property within the district for the purpose of:

9 ~~((1))~~ (a) Funding refunds paid or to be paid under this chapter,
10 except for refunds under RCW 84.69.020(1), including interest, as
11 ordered by the county treasurer or county legislative authority within
12 the preceding twelve months; and

13 ~~((2))~~ (b) Reimbursing the taxing district for taxes abated
14 ~~((under RCW 84.70.010))~~ or cancelled, offset by any supplemental taxes
15 collected under this title, other than amounts collected under RCW
16 84.52.018 within the preceding twelve months. This subsection ~~((2))~~
17 (1)(b) only applies to abatements and cancellations that do not require
18 a refund under this chapter. Abatements and cancellations that require

1 a refund are included within the scope of (a) of this subsection (~~((1)~~
2 ~~of this section~~)).

3 (2) As provided in RCW 84.55.070, the provisions of chapter 84.55
4 RCW do not apply to a levy made by or for a taxing district under this
5 section.

6 NEW SECTION. **Sec. 2.** The legislature finds that it is difficult
7 for many property owners to pay property taxes under the current system
8 where past due property tax payments must be paid in full, including
9 penalties and interest. The legislature further finds that providing
10 counties and property owners some flexibility in structuring past due
11 property tax payments may provide some relief for property owners with
12 delinquent tax payments.

13 **Sec. 3.** RCW 84.56.020 and 2010 c 200 s 1 are each amended to read
14 as follows:

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

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

34 (3) When the total amount of tax or special assessments on personal
35 property or on any lot, block or tract of real property payable by one
36 person is fifty dollars or more, and if one-half of such tax be paid on

1 or before the thirtieth day of April, the remainder of such tax is due
2 and payable on or before the thirty-first day of October following and
3 shall be delinquent after that date.

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

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

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

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

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

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

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

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

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

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

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

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

21 ~~((+7))~~ (8) During a state of emergency declared under RCW
22 43.06.010(12), the county treasurer, on his or her own motion or at the
23 request of any taxpayer affected by the emergency, may grant extensions
24 of the due date of any taxes payable under this section as the
25 treasurer deems proper.

26 ~~((+8))~~ (9) For purposes of this chapter, "interest" means both
27 interest and penalties.

28 ~~((+9))~~ (10) All collections of interest on delinquent taxes must
29 be credited to the county current expense fund; but the cost of
30 foreclosure and sale of real property, and the fees and costs of
31 distrainment and sale of personal property, for delinquent taxes, must,
32 when collected, be credited to the operation and maintenance fund of
33 the county treasurer prosecuting the foreclosure or distrainment or sale;
34 and must be used by the county treasurer as a revolving fund to defray
35 the cost of further foreclosure, distrainment and sale for delinquent
36 taxes without regard to budget limitations.

37 ~~((+10))~~ (11)(a) For purposes of this chapter, and in accordance
38 with this section and RCW 36.29.190, the treasurer may collect taxes,

1 assessments, fees, rates, interest, and charges by electronic bill
2 presentment and payment. Electronic bill presentment and payment may
3 be utilized as an option by the taxpayer, but the treasurer may not
4 require the use of electronic bill presentment and payment. Electronic
5 bill presentment and payment may be on a monthly or other periodic
6 basis as the treasurer deems proper for ~~((prepayments))~~ delinquent tax
7 year payments only or for prepayments of current tax. All prepayments
8 must be paid in full by the due date specified in (c) of this
9 subsection. Payments on past due taxes must include collection of the
10 oldest delinquent year, which includes interest and taxes within a
11 twelve-month period, prior to filing a certificate of delinquency under
12 chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

13 (b) The treasurer must provide, by electronic means or otherwise,
14 a payment agreement that ~~((may include prepayment collection charges.~~
15 ~~The payment agreement must be signed by the taxpayer and treasurer~~
16 ~~prior to the sending of an electronic bill))~~ provides for payment of
17 current year taxes, inclusive of prepayment collection charges. The
18 treasurer may provide, by electronic means or otherwise, a payment
19 agreement for payment of past due delinquencies, which must also
20 require current year taxes to be paid timely. The payment agreement
21 must be signed by the taxpayer and treasurer prior to the sending of an
22 electronic or alternative bill, which includes a payment plan for
23 current year taxes.

24 (c) All taxes upon real and personal property made payable by the
25 provisions of this title are due and payable to the treasurer on or
26 before the thirtieth day of April and are delinquent after that date.
27 The remainder of the tax is due and payable on or before the thirty-
28 first day of October following and is delinquent after that date. All
29 other assessments, fees, rates, and charges are delinquent after the
30 due date.

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

35 (e) The treasurer must pay any collection costs, investment
36 earnings, or both on past due payments or prepayments to the credit of
37 a county treasurer service fund account to be created and used only for

1 the payment of expenses incurred by the treasurer, without limitation,
2 in administering the system for collecting prepayments.

3 ~~((11))~~ (12) For purposes of this section unless the context
4 clearly requires otherwise, the following definitions apply:

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

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

10 **Sec. 4.** RCW 84.56.070 and 2009 c 350 s 2 are each amended to read
11 as follows:

12 (1) The county treasurer ~~((shall))~~ must proceed to collect all
13 personal property taxes after first completing the tax roll for the
14 current year's collection.

15 (2) The treasurer ~~((shall))~~ must give notice by mail to all persons
16 charged with personal property taxes, and if such taxes are not paid
17 before they become delinquent, the treasurer ~~((shall forthwith proceed~~
18 ~~to collect the same))~~ must commence delinquent collection efforts. A
19 delinquent collection charge for costs incurred by the treasurer may be
20 added to the account.

21 (3) In the event that ~~((he or she))~~ the treasurer is unable to
22 collect the ~~((same))~~ taxes when due under this section, the treasurer
23 ~~((shall))~~ must prepare papers in distraint, which ~~((shall))~~ must
24 contain a description of the personal property, the amount of taxes,
25 the amount of the accrued interest at the rate provided by law from the
26 date of delinquency, and the name of the owner or reputed owner.

27 (a) The treasurer ~~((shall))~~ must without demand or notice distraint
28 sufficient goods and chattels belonging to the person charged with such
29 taxes to pay the same, with interest at the rate provided by law from
30 the date of delinquency, together with all accruing costs, and
31 ~~((shall))~~ must proceed to advertise the same by posting written notices
32 in three public places in the county in which such property has been
33 distrained, one of which places ~~((shall))~~ must be at the county
34 courthouse, such notice to state the time when and place where such
35 property will be sold.

36 (b) The county treasurer, or the treasurer's deputy, ~~((shall))~~ must
37 tax the same fees for making the distraint and sale of goods and

1 chattels for the payment of taxes as are allowed by law to sheriffs for
2 making levy and sale of property on execution; traveling fees to be
3 computed from the county seat of the county to the place of making
4 distraint.

5 (c) If the taxes for which such property is distrained, and the
6 interest and costs accruing thereon, are not paid before the date
7 appointed for such sale, which (~~shall be~~) may not be less than ten
8 days after the taking of such property, such treasurer or treasurer's
9 designee (~~shall~~) must proceed to sell such property at public
10 auction, or so much thereof as (~~shall be~~) is sufficient to pay such
11 taxes, with interest and costs, and if there be any excess of money
12 arising from the sale of any personal property, the treasurer (~~shall~~)
13 must pay such excess less any cost of the auction to the owner of the
14 property so sold or to his or her legal representative(~~:-PROVIDED,~~
15 ~~That whenever it shall become~~)).

16 (d) If necessary to distrain any standing timber owned separately
17 from the ownership of the land upon which the same may stand, or any
18 fish trap, pound net, reef net, set net, or drag seine fishing
19 location, or any other personal property as the treasurer (~~shall~~)
20 determines to be incapable or reasonably impracticable of manual
21 delivery, it (~~shall be~~) is deemed to have been distrained and taken
22 into possession when the treasurer (~~shall have~~) has, at least thirty
23 days before the date fixed for the sale thereof, filed with the auditor
24 of the county wherein such property is located a notice in writing
25 reciting that the treasurer has distrained such property, describing
26 it, giving the name of the owner or reputed owner, the amount of the
27 tax due, with interest, and the time and place of sale(~~:-~~). A copy of
28 the notice (~~shall~~) must also be sent to the owner or reputed owner at
29 his or her last known address, by registered letter at least thirty
30 days prior to the date of sale(~~:-AND PROVIDED FURTHER, That~~)).

31 (e) If the county treasurer has reasonable grounds to believe that
32 any personal property, including mobile homes, manufactured homes, or
33 park model trailers, upon which taxes have been levied, but not paid,
34 is about to be removed from the county where the same has been
35 assessed, or is about to be destroyed, sold, or disposed of, the county
36 treasurer may demand such taxes, without the notice provided for in

1 this section, and if necessary may (~~forthwith~~) distrain sufficient
2 goods and chattels to pay the same.

Passed by the Senate April 28, 2013.

Passed by the House April 25, 2013.

Approved by the Governor May 14, 2013.

Filed in Office of Secretary of State May 14, 2013.