
SENATE BILL 6439

State of Washington

65th Legislature

2018 Regular Session

By Senator Ericksen

1 AN ACT Relating to reducing the state property taxes payable in
2 calendar years 2018 and 2019; amending RCW 84.52.065, 84.56.020, and
3 36.35.110; and declaring an emergency.

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

5 **Sec. 1.** RCW 84.52.065 and 2017 3rd sp.s. c 13 s 301 are each
6 amended to read as follows:

7 (1) Except as otherwise provided in this section, subject to the
8 limitations in RCW 84.55.010, in each year the state (~~shall~~) must
9 levy for collection in the following year for the support of common
10 schools of the state a tax of three dollars and sixty cents per
11 thousand dollars of assessed value upon the assessed valuation of all
12 taxable property within the state adjusted to the state equalized
13 value in accordance with the indicated ratio fixed by the state
14 department of revenue.

15 (2)(a) In addition to the tax authorized under subsection (1) of
16 this section, the state must levy an additional property tax for the
17 support of common schools of the state.

18 (i) For taxes levied for collection in calendar years 2018,
19 (~~through~~) 2020, and 2021, the rate of tax is the rate necessary to
20 bring the aggregate rate for state property tax levies levied under
21 this subsection and subsection (1) of this section to a combined rate

1 of two dollars and seventy cents per thousand dollars of assessed
2 value ((~~upon the assessed valuation of all taxable property within~~
3 ~~the state adjusted to the state equalized value in accordance with~~
4 ~~the indicated ratio fixed by the state department of revenue~~)).

5 (ii) For taxes levied for collection in calendar year 2019, the
6 rate of tax is the rate necessary to bring the aggregate rate for
7 state property tax levies levied under this subsection and subsection
8 (1) of this section to a combined rate of one dollar and eighty-nine
9 cents per thousand dollars of assessed value.

10 (iii) The state property tax levy rates provided in this
11 subsection (2)(a) are based upon the assessed valuation of all
12 taxable property within the state adjusted to the state equalized
13 value in accordance with the indicated ratio fixed by the state
14 department of revenue.

15 (iv) For taxes levied for collection in calendar year 2022 and
16 thereafter, the tax authorized under this subsection (2) is subject
17 to the limitations of chapter 84.55 RCW.

18 (b) Taxes collected under this subsection (2) must be deposited
19 into the state general fund.

20 (3) For taxes levied for collection in calendar years 2019
21 through 2021, the state property taxes levied under subsections (1)
22 and (2) of this section are not subject to the limitations in chapter
23 84.55 RCW.

24 (4) For taxes levied for collection in calendar year 2022 and
25 thereafter, the aggregate rate limit for state property taxes levied
26 under subsections (1) and (2) of this section is three dollars and
27 sixty cents per thousand dollars of assessed value upon the assessed
28 valuation of all taxable property within the state adjusted to the
29 state equalized value in accordance with the indicated ratio fixed by
30 the state department of revenue.

31 (5) For property taxes levied for collection in calendar years
32 2019 through 2021, the rate of tax levied under subsection (1) of
33 this section is the actual rate that was levied for collection in
34 calendar year 2018 under subsection (1) of this section.

35 (6) As used in this section, "the support of common schools"
36 includes the payment of the principal and interest on bonds issued
37 for capital construction projects for the common schools.

38 **Sec. 2.** RCW 84.56.020 and 2017 c 142 s 1 are each amended to
39 read as follows:

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

16 (2) Each tax statement must include a notice that checks for
17 payment of taxes may be made payable to "Treasurer of
18 County" or other appropriate office, but tax statements may not
19 include any suggestion that checks may be made payable to the name of
20 the individual holding the office of treasurer nor any other
21 individual.

22 (3) When the total amount of tax or special assessments on
23 personal property or on any lot, block or tract of real property
24 payable by one person is fifty dollars or more, and if one-half of
25 such tax is paid on or before the thirtieth day of April, the
26 remainder of such tax, except as provided in subsection (5) of this
27 section, is due and payable on or before the following thirty-first
28 day of October and is delinquent after that date.

29 (4) When the total amount of tax or special assessments on any
30 lot, block or tract of real property or on any mobile home payable by
31 one person is fifty dollars or more, and if one-half of such tax is
32 paid after the thirtieth day of April but before the thirty-first day
33 of October, together with the applicable interest and penalty on the
34 full amount of tax payable for that year, the remainder of such tax,
35 except as provided in subsection (5) of this section, is due and
36 payable on or before the following thirty-first day of October and is
37 delinquent after that date.

38 (5)(a) For the 2017 state property taxes levied under RCW
39 84.52.065 (1) and (2) for collection in 2018, the remainder of the
40 tax is due and payable as follows:

1 (i) Forty percent is due and payable on or before the thirty-
2 first day of October 2018 and is delinquent after that date;

3 (ii) Thirty percent is due and payable on or before the thirtieth
4 day of April 2019 and is delinquent after that date; and

5 (iii) Thirty percent is due and payable on or before the thirty-
6 first day of October 2019 and is delinquent after that date.

7 (b) This subsection (5) does not apply to property exempt from
8 the additional state property tax imposed under RCW 84.52.065(2) as
9 provided in RCW 84.36.381(5)(a).

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

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

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

24 (c) If a taxpayer is successfully participating in a payment
25 agreement under subsection ~~((12))~~ (13)(b) of this section or a
26 partial payment program pursuant to subsection ~~((13))~~ (14) of this
27 section, the county treasurer may not assess additional penalties on
28 delinquent taxes that are included within the payment agreement.
29 Interest and penalties that have been assessed prior to the payment
30 agreement remain due and payable as provided in the payment
31 agreement.

32 ~~((6))~~ (7)(a) When real property taxes become delinquent and
33 prior to the filing of the certificate of delinquency, the treasurer
34 is authorized to assess and collect tax foreclosure avoidance costs.

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

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

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

4 (c) When tax foreclosure avoidance costs are collected, such
5 costs must be credited to the county treasurer service fund account,
6 except as otherwise directed.

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

12 ~~((7))~~ (8) Subsection ~~((5))~~ (6) of this section
13 notwithstanding, no interest or penalties may be assessed during any
14 period of armed conflict regarding delinquent taxes imposed on the
15 personal residences owned by active duty military personnel who are
16 participating as part of one of the branches of the military involved
17 in the conflict and assigned to a duty station outside the
18 territorial boundaries of the United States.

19 ~~((8))~~ (9) During a state of emergency declared under RCW
20 43.06.010(12), the county treasurer, on his or her own motion or at
21 the request of any taxpayer affected by the emergency, may grant
22 extensions of the due date of any taxes payable under this section as
23 the treasurer deems proper.

24 ~~((9))~~ (10) All collections of interest on delinquent taxes must
25 be credited to the county current expense fund.

26 ~~((10))~~ (11) For purposes of this chapter, "interest" means both
27 interest and penalties unless the context clearly requires otherwise.

28 ~~((11))~~ (12) The direct cost of foreclosure and sale of real
29 property, and the direct fees and costs of distraint and sale of
30 personal property, for delinquent taxes, must, when collected, be
31 credited to the operation and maintenance fund of the county
32 treasurer prosecuting the foreclosure or distraint or sale; and must
33 be used by the county treasurer as a revolving fund to defray the
34 cost of further foreclosure, distraint, and sale because of
35 delinquent taxes without regard to budget limitations and not subject
36 to indirect costs of other charges.

37 ~~((12))~~ (13)(a) For purposes of this chapter, and in accordance
38 with this section and RCW 36.29.190, the treasurer may collect taxes,
39 assessments, fees, rates, interest, and charges by electronic billing
40 and payment. Electronic billing and payment may be used as an option

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

11 (b) The treasurer may provide, by electronic means or otherwise,
12 a payment agreement that provides for payment of current year taxes,
13 inclusive of prepayment collection charges. The treasurer may
14 provide, by electronic means or otherwise, a payment agreement for
15 payment of past due delinquencies, which must also require current
16 year taxes to be paid timely. The payment agreement must be signed by
17 the taxpayer and treasurer prior to the sending of an electronic or
18 alternative bill, which includes a payment plan for current year
19 taxes. The treasurer may accept partial payment of current and
20 delinquent taxes including interest and penalties using electronic
21 bill presentment and payments.

22 (c) All taxes upon real and personal property made payable by the
23 provisions of this title are due and payable to the treasurer on or
24 before the thirtieth day of April and, except as otherwise provided
25 in this section, are delinquent after that date. ((The)) Except as
26 provided in subsection (5) of this section, any remainder of the tax
27 is due and payable on or before the following thirty-first of October
28 and is delinquent after that date. All other assessments, fees,
29 rates, and charges are delinquent after the due date.

30 (d) A county treasurer may authorize payment of past due property
31 taxes, penalties, and interest under this chapter by electronic funds
32 transfers on a monthly basis. Delinquent taxes are subject to
33 interest and penalties, as provided in subsection ((+5+)) (6) of this
34 section.

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

1 (~~(13)~~) (14) In addition to the payment program in subsection
2 (~~(12)~~) (13)(b) of this section, the treasurer may accept partial
3 payment of current and delinquent taxes including interest and
4 penalties by any means authorized.

5 (~~(14) For purposes of this section unless the context clearly~~
6 ~~requires otherwise, the following definitions apply:~~) (15) The
7 definitions in this subsection apply throughout this section unless
8 the context clearly requires otherwise.

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

13 (b) "Internet" has the same meaning as provided in RCW
14 19.270.010.

15 (c) "Remainder of the tax" means the remaining tax due after at
16 least one-half of the tax due for the year is paid by April 30th of
17 the year in which the taxes are due, or after at least one-half of
18 the tax due for the year plus applicable penalties and interest is
19 paid after April 30th but before October 31st of the year in which
20 the tax is due.

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

23 (1) No claims are allowed against the county from any
24 municipality, school district, road district or other taxing district
25 for taxes levied on property acquired by the county by tax deed under
26 the provisions of this chapter, but all taxes must at the time of
27 deeding the property be thereby canceled. However, the proceeds of
28 any sale of any property acquired by the county by tax deed must
29 first be applied to reimburse the county for the costs of foreclosure
30 and sale. The remainder of the proceeds, if any, must be applied to
31 pay any amounts deferred under chapter 84.37 or 84.38 RCW on the
32 property, including accrued interest, and outstanding at the time the
33 county acquired the property by tax deed. The remainder of the
34 proceeds, if any, must be justly apportioned to the various funds
35 existing at the date of the sale, in the territory in which such
36 property is located, according to the tax levies of the year last in
37 process of collection.

38 (2) For purposes of this section, "costs of foreclosure and sale"
39 means those costs of foreclosing on the property that, when

1 collected, are subject to RCW 84.56.020(~~(+9)~~) (12), and the direct
2 costs incurred by the county in selling the property.

3 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect immediately.

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