

SHB 1332 - H AMD 332

By Representative Sullivan

ADOPTED 03/05/2021

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

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4 "Sec. 1. RCW 84.56.020 and 2019 c 332 s 1 are each amended to
5 read as follows:

6 **Treasurers' tax collection duties.**

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

22 **Tax statements.**

23 (2)(a) Tax statements for the current year's collection must be
24 distributed to each taxpayer on or before March 15th provided that:

25 (i) All city and other taxing district budgets have been
26 submitted to county legislative authorities by November 30th per RCW
27 84.52.020;

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
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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 taxes under this section are subject to interest at the rate of
7 twelve percent per annum computed on a monthly basis on the amount
8 of tax delinquent from the date of delinquency until paid. Interest
9 must be calculated at the rate in effect at the time of the tax
10 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
14 is assessed on the tax delinquent on June 1st of the year in which
15 the 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
18 is due.

19 (c) If a taxpayer is successfully participating in a payment
20 agreement under subsection (15)(b) of this section or a partial
21 payment program pursuant to subsection (15)(c) 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.

26 (6) A county treasurer must provide notification to each
27 taxpayer whose taxes have become delinquent under subsections (4)
28 and (5) of this section. The delinquency notice must specify where
29 the taxpayer can obtain information regarding:

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

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

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1 (c) Where the taxpayer can pay his or her property taxes
2 directly and contact information, including but not limited to the
3 phone number, for the statewide foreclosure hotline recommended by
4 the Washington state housing finance commission.

5 (7) Within ninety days after the expiration of two years from
6 the date of delinquency (when a taxpayer's taxes have become
7 delinquent), the county treasurer must provide the name and property
8 address of the delinquent taxpayer to a homeownership resource
9 center or any other designated local or state entity recommended by
10 the Washington state housing finance commission.

11 **Collection of foreclosure costs.**

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

15 (b) When tax foreclosure avoidance costs are collected, such
16 costs must be credited to the county treasurer service fund account,
17 except as otherwise directed.

18 (c) For purposes of chapter 84.64 RCW, any taxes, interest, or
19 penalties deemed delinquent under this section remain delinquent
20 until such time as all taxes, interest, and penalties for the tax
21 year in which the taxes were first due and payable have been paid in
22 full.

23 **Periods of armed conflict.**

24 (9) Subsection (5) of this section notwithstanding, no interest
25 or penalties may be assessed during any period of armed conflict
26 regarding delinquent taxes imposed on the personal residences owned
27 by active duty military personnel who are participating as part of
28 one of the branches of the military involved in the conflict and
29 assigned to a duty station outside the territorial boundaries of the
30 United States.

31 **State of emergency.**

32 (10) (~~During~~) (a) Except as provided in (b) of this
33 subsection, during a state of emergency declared under RCW
34 43.06.010(12), the county treasurer, on his or her own motion or at

1 the request of any taxpayer affected by the emergency, may grant
2 extensions of the due date of any taxes payable under this section
3 as the treasurer deems proper.

4 (b)(i) Due to the state of emergency declared under RCW
5 43.06.010(12) related to the novel coronavirus, the county treasurer
6 must grant an extension of the due date of any unpaid, non-
7 delinquent taxes payable in 2021, if the owner or person responsible
8 for payment of tax on any real property primarily used for business
9 purposes demonstrates to the county treasurer's satisfaction a loss
10 of at least 25 percent of its revenue attributable to that real
11 property for calendar year 2020 compared to calendar year 2019.

12 (ii) An extension under this subsection must be requested from
13 the county treasurer by the owner or the person responsible for
14 payment of property taxes, solely upon forms developed or approved
15 by the department.

16 (iii) A county treasurer granting an extension under this
17 subsection (10)(b) must establish a payment plan for the taxes
18 subject to the extension. The county treasurer may determine the
19 payment schedule and other terms of the payment plan. Penalties and
20 interest do not apply to the taxes due under the payment plan so
21 long as the owner or person responsible for payment of the taxes
22 fully complies with all the terms of the payment plan.

23 (iv) Any owner of real property receiving an extension under
24 this subsection (10)(b) must pass the entire benefit of the
25 extension to any tenant, and such tenant to any sublessee, if the
26 tenant or sublessee is required by the lease or other contract to
27 pay the property tax expense of the owner. Neither county treasurers
28 nor the department have any responsibility for enforcing this
29 subsection (10)(b)(iv).

30 (v) The department may adopt rules it deems necessary to
31 administer this subsection (10)(b).

32 (vi) For purposes of this subsection (10)(b), the following
33 definitions apply:

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1 (A) "Attributable" means generated from the leasing or renting
2 of real property or from a person's business activities conducted
3 in, or directed or managed from, real property.

4 (B) "Revenue" means gross revenue, including gross income of the
5 business as defined in RCW 82.04.080 and gross income as defined in
6 RCW 82.16.010.

7 **Retention of funds from interest.**

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

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

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

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

22 **Tax due dates and options for tax payment collections.**

23 **Electronic billings and payments.**

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

32 (a) Delinquent tax year payments; and

33 (b) Prepayments of current tax.

34 **Tax payments.**

1 **Prepayment for current taxes.**

2 (15)(a) The treasurer may accept prepayments for current year
3 taxes by any means authorized. All prepayments must be paid in full
4 by the due date specified in subsection (16) of this section.

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

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

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

14 (ii)(A) The treasurer may provide, by electronic means or
15 otherwise, a payment agreement for payment of past due
16 delinquencies. The payment agreement must be signed by the taxpayer
17 and treasurer or the treasurer's deputy prior to the sending of an
18 electronic or alternative bill, which includes a payment plan for
19 past due delinquent taxes and charges.

20 (B) Tax payments received by a treasurer for delinquent year
21 taxes from a taxpayer participating on a payment agreement must be
22 applied first to the oldest delinquent year unless such taxpayer
23 requests otherwise.

24 **Partial payments: Acceptance of partial payments for current and**
25 **delinquent taxes.**

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

30 (ii) All tax payments received by a treasurer for delinquent
31 year taxes from a taxpayer paying a partial payment must be applied
32 first to the oldest delinquent year unless such taxpayer requests
33 otherwise.

34 **Payment for delinquent taxes.**

1 (d) Payments on past due taxes must include collection of the
2 oldest delinquent year, which includes interest, penalties, and
3 taxes within an eighteen-month period, prior to filing a certificate
4 of delinquency under chapter 84.64 RCW or distraint pursuant to RCW
5 84.56.070.

6 **Due date for tax payments.**

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

14 **Electronic funds transfers.**

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

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

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

25 **Payment for administering prepayment collections.**

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

31 **Waiver of interest and penalties for qualified taxpayers subject**
32 **to foreclosure.**

33 (19) No earlier than sixty days prior to the date that is three
34 years after the date of delinquency, the treasurer must waive all

1 outstanding interest and penalties on delinquent taxes due from a
2 taxpayer if the property is subject to an action for foreclosure
3 under chapter 84.64 RCW and the following requirements are met:

4 (a) The taxpayer is income-qualified under RCW 84.36.381(5)(a),
5 as verified by the county assessor;

6 (b) The taxpayer occupies the property as their principal place
7 of residence; and

8 (c) The taxpayer has not previously received a waiver on the
9 property as provided under this subsection.

10 **Definitions.**

11 (20) The definitions in this subsection apply throughout this
12 section unless the context clearly requires otherwise.

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

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

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

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

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

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27 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect immediately."

EFFECT: Requires that a property owner receiving an extension of
property tax payments must pass the entire benefit of the extension
to any tenant or sublessee if the tenant or sublessee is required by
the lease to pay the property tax expense of the owner. Clarifies

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some definitions. Clarifies that qualifying revenue loss must be attributable to the property receiving the payment extension.

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