

ESHB 1410 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/05/2021

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

3 "Sec. 1. RCW 84.56.020 and 2019 c 332 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) (a) 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)~~) as provided in this subsection computed on
36 a monthly basis on the amount of tax delinquent from the date of
37 delinquency until paid. Interest must be calculated at the rate in
38 effect at the time of the tax payment, regardless of when the taxes
39 were first delinquent. (~~In addition~~)

1 (i) Until December 31, 2022, the interest rate is 12 percent per
2 annum for all nonresidential real property and residential real
3 property.

4 (ii) Beginning January 1, 2023, interest rates are as follows:

5 (A) Twelve percent per annum for all nonresidential real property
6 and for residential real property with greater than four units per
7 taxable parcel; or

8 (B) Nine percent per annum for all residential real property with
9 four or fewer units per taxable parcel, including manufactured/mobile
10 homes as defined in RCW 59.20.030.

11 (b)(i) Penalties on delinquent taxes under this section may not
12 be assessed beginning the effective date of this section and through
13 December 31, 2022.

14 (ii) Beginning January 1, 2023, delinquent taxes under this
15 section are subject to penalties for nonresidential real property and
16 for residential real property with greater than four units per
17 taxable parcel as follows:

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

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

24 (iii) Penalties may not be assessed on residential real property
25 with four or fewer units per taxable parcel, including manufactured/
26 mobile homes as defined in RCW 59.20.030.

27 (c)(i) If a taxpayer is successfully participating in a payment
28 agreement under subsection (15)(b) of this section or a partial
29 payment program pursuant to subsection (15)(c) of this section, the
30 county treasurer may not assess additional penalties on delinquent
31 taxes that are included within the payment agreement. Interest and
32 penalties that have been assessed prior to the payment agreement
33 remain due and payable as provided in the payment agreement.

34 (ii) The following remain due and payable as provided in any
35 payment agreement:

36 (A) Interest that has been assessed prior to the payment
37 agreement; and

38 (B) Penalties assessed prior to the effective date of this
39 section that have been assessed prior to the payment agreement.

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

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

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

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

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

19 **Collection of foreclosure costs.**

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

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

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

31 **Periods of armed conflict.**

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

39 **State of emergency.**

1 (10) During a state of emergency declared under RCW
2 43.06.010(12), the county treasurer, on his or her own motion or at
3 the request of any taxpayer affected by the emergency, may grant
4 extensions of the due date of any taxes payable under this section as
5 the treasurer deems proper.

6 **Retention of funds from interest.**

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

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

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

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

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

22 **Electronic billings and payments.**

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

- 31 (a) Delinquent tax year payments; and
- 32 (b) Prepayments of current tax.

33 **Tax payments.**

34 **Prepayment for current taxes.**

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

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

39 (b)(i) The treasurer may provide, by electronic means or
40 otherwise, a payment agreement that provides for payment of current

1 year taxes, inclusive of prepayment collection charges. The payment
2 agreement must be signed by the taxpayer and treasurer or the
3 treasurer's deputy prior to the sending of an electronic or
4 alternative bill, which includes a payment plan for current year
5 taxes.

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

7 (ii)(A) The treasurer may provide, by electronic means or
8 otherwise, a payment agreement for payment of past due delinquencies.
9 The payment agreement must be signed by the taxpayer and treasurer or
10 the treasurer's deputy prior to the sending of an electronic or
11 alternative bill, which includes a payment plan for past due
12 delinquent taxes and charges.

13 (B) Tax payments received by a treasurer for delinquent year
14 taxes from a taxpayer participating on a payment agreement must be
15 applied first to the oldest delinquent year unless such taxpayer
16 requests otherwise.

17 **Partial payments: Acceptance of partial payments for current and**
18 **delinquent taxes.**

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

23 (ii) All tax payments received by a treasurer for delinquent year
24 taxes from a taxpayer paying a partial payment must be applied first
25 to the oldest delinquent year unless such taxpayer requests
26 otherwise.

27 **Payment for delinquent taxes.**

28 (d) Payments on past due taxes must include collection of the
29 oldest delinquent year, which includes interest, penalties, and taxes
30 within an eighteen-month period, prior to filing a certificate of
31 delinquency under chapter 84.64 RCW or distraint pursuant to RCW
32 84.56.070.

33 **Due date for tax payments.**

34 (16) All taxes upon real and personal property made payable by
35 the provisions of this title are due and payable to the treasurer on
36 or before the thirtieth day of April and are delinquent after that
37 date. The remainder of the tax is due and payable on or before the
38 following thirty-first of October and is delinquent after that date.
39 All other assessments, fees, rates, and charges are delinquent after
40 the due date.

1 **Electronic funds transfers.**

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

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

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

12 **Payment for administering prepayment collections.**

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

18 **Waiver of interest and penalties for qualified taxpayers subject**
19 **to foreclosure.**

20 (19) No earlier than sixty days prior to the date that is three
21 years after the date of delinquency, the treasurer must waive all
22 outstanding interest and penalties on delinquent taxes due from a
23 taxpayer if the property is subject to an action for foreclosure
24 under chapter 84.64 RCW and the following requirements are met:

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

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

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

31 **Definitions.**

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

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

38 (b) "Internet" has the same meaning as provided in RCW
39 19.270.010.

1 (c) "Tax foreclosure avoidance costs" means those direct costs
2 associated with the administration of properties subject to and prior
3 to foreclosure. Tax foreclosure avoidance costs include:
4 (i) Compensation of employees for the time devoted to
5 administering the avoidance of property foreclosure; and
6 (ii) The cost of materials, services, or equipment acquired,
7 consumed, or expended in administering tax foreclosure avoidance
8 prior to the filing of a certificate of delinquency.

9 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2022."

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10 On page 1, line 1 of the title, after "foreclosure;" strike the
11 remainder of the title and insert "amending RCW 84.56.020; and
12 providing an effective date."

EFFECT: Adds an effective date of January 1, 2022; eliminates penalties on delinquent property taxes for all residential and nonresidential properties until January 1, 2023; reinstates penalties for nonresidential and residential properties with more than four units per parcel, beginning January 1, 2023; and reduces interest fees to nine percent for real property with four or fewer units per parcel, including manufactured/mobile homes, beginning January 1, 2023.

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