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**SUBSTITUTE HOUSE BILL 1332**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Finance (originally sponsored by Representatives Sullivan, Ramel, Leavitt, Dufault, Hackney, Wylie, Santos, Ortiz-Self, Ormsby, Rule, Stokesbary, Callan, Pollet, and Macri)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to property tax deferral during the COVID-19  
2 pandemic; amending RCW 84.56.020; and declaring an emergency.

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

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

1       **Tax statements.**

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

4       (i) All city and other taxing district budgets have been  
5 submitted to county legislative authorities by November 30th per RCW  
6 84.52.020;

7       (ii) The county legislative authority in turn has certified taxes  
8 levied to the county assessor by November 30th per RCW 84.52.070; and

9       (iii) The county assessor has delivered the tax roll to the  
10 county treasurer by January 15th per RCW 84.52.080.

11       (b) Each tax statement must include a notice that checks for  
12 payment of taxes may be made payable to "Treasurer of . . . . .  
13 County" or other appropriate office, but tax statements may not  
14 include any suggestion that checks may be made payable to the name of  
15 the individual holding the office of treasurer nor any other  
16 individual.

17       (c) Each tax statement distributed to an address must include a  
18 notice with information describing the:

19       (i) Property tax exemption program pursuant to RCW 84.36.379  
20 through 84.36.389; and

21       (ii) Property tax deferral program pursuant to chapter 84.38 RCW.

22       **Tax payment due dates.**

23       **On-time tax payments: First-half taxes paid by April 30th and**  
24 **second-half taxes paid by October 31st.**

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

31       **Delinquent tax payments for current year: First-half taxes paid**  
32 **after April 30th.**

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

1 **Delinquent tax payments: Interest, penalties, and treasurer**  
2 **duties.**

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

11 (a) A penalty of three percent of the amount of tax delinquent is  
12 assessed on the tax delinquent on June 1st of the year in which the  
13 tax is due.

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

17 (c) If a taxpayer is successfully participating in a payment  
18 agreement under subsection (15)(b) of this section or a partial  
19 payment program pursuant to subsection (15)(c) of this section, the  
20 county treasurer may not assess additional penalties on delinquent  
21 taxes that are included within the payment agreement. Interest and  
22 penalties that have been assessed prior to the payment agreement  
23 remain due and payable as provided in the payment agreement.

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

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

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

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

36 (7) Within ninety days after the expiration of two years from the  
37 date of delinquency (when a taxpayer's taxes have become delinquent),  
38 the county treasurer must provide the name and property address of  
39 the delinquent taxpayer to a homeownership resource center or any

1 other designated local or state entity recommended by the Washington  
2 state housing finance commission.

3 **Collection of foreclosure costs.**

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

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

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

15 **Periods of armed conflict.**

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

23 **State of emergency.**

24 (10) (~~During~~) (a) Except as provided in (b) of this subsection,  
25 during a state of emergency declared under RCW 43.06.010(12), the  
26 county treasurer, on his or her own motion or at the request of any  
27 taxpayer affected by the emergency, may grant extensions of the due  
28 date of any taxes payable under this section as the treasurer deems  
29 proper.

30 (b) Due to the state of emergency declared under RCW  
31 43.06.010(12) related to the novel coronavirus, the county treasurer  
32 shall grant an extension of the due date of any taxes payable in 2021  
33 under this section as provided in this subsection (10)(b). Beginning  
34 with tax payments due in April 2021, if the owner of any lot, block,  
35 or tract of real property used for business purposes demonstrates a  
36 loss of at least 25 percent of revenue for calendar year 2020  
37 compared to calendar year 2019 via an application provided in a form  
38 and manner by the department, the county treasurer shall grant a  
39 deferral of taxes due in 2021 via the establishment of a payment  
40 plan. No penalties or interest will be applied to the taxes due under

1 the payment plan. The county treasurer may determine the payment  
2 schedule and other terms of the payment plan.

3 **Retention of funds from interest.**

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

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

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

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

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

19 **Electronic billings and payments.**

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

- 28 (a) Delinquent tax year payments; and  
29 (b) Prepayments of current tax.

30 **Tax payments.**

31 **Prepayment for current taxes.**

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

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

36 (b)(i) The treasurer may provide, by electronic means or  
37 otherwise, a payment agreement that provides for payment of current  
38 year taxes, inclusive of prepayment collection charges. The payment  
39 agreement must be signed by the taxpayer and treasurer or the  
40 treasurer's deputy prior to the sending of an electronic or

1 alternative bill, which includes a payment plan for current year  
2 taxes.

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

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

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

14 **Partial payments: Acceptance of partial payments for current and**  
15 **delinquent taxes.**

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

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

24 **Payment for delinquent taxes.**

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

30 **Due date for tax payments.**

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

38 **Electronic funds transfers.**

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

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

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

10 **Payment for administering prepayment collections.**

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

16 **Waiver of interest and penalties for qualified taxpayers subject  
17 to foreclosure.**

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

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

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

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

29 **Definitions.**

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

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

36 (b) "Internet" has the same meaning as provided in RCW  
37 19.270.010.

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

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

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

6 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of  
8 the state government and its existing public institutions, and takes  
9 effect immediately.

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