
SENATE BILL 5282

State of Washington

67th Legislature

2021 Regular Session

By Senators Dhingra, Carlyle, Das, Kuderer, Nguyen, Randall, Rivers, Saldaña, Stanford, Wagoner, and Wilson, C.

Read first time 01/19/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to reduction in value of property as a result of
2 government restrictions imposed in response to a public health
3 emergency; amending RCW 84.56.020 and 84.70.010; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 84.56.020 and 2019 c 332 s 1 are each amended to
7 read as follows:

8 **Treasurers' tax collection duties.**

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

1 April and, except as provided in this section, are delinquent after
2 that date.

3 **Tax statements.**

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

6 (i) All city and other taxing district budgets have been
7 submitted to county legislative authorities by November 30th per RCW
8 84.52.020;

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

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

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

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

21 (i) Property tax exemption program pursuant to RCW 84.36.379
22 through 84.36.389; and

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

24 **Tax payment due dates.**

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

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

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

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

1 is due and payable on or before the following thirty-first day of
2 October and is delinquent after that date.

3 **Delinquent tax payments: Interest, penalties, and treasurer**
4 **duties.**

5 (5) Except as provided in (c) or (d) of this subsection,
6 delinquent taxes under this section are subject to interest at the
7 rate of twelve percent per annum computed on a monthly basis on the
8 amount of tax delinquent from the date of delinquency until paid.
9 Interest must be calculated at the rate in effect at the time of the
10 tax 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 is
14 assessed on the tax delinquent on June 1st of the year in which the
15 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 is
18 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 (d) If a taxpayer is successfully participating in a payment
27 agreement under subsection (15)(b)(iii) of this section, the county
28 treasurer may not assess interest or penalties on taxes that are
29 included within, and paid in accordance with, the payment agreement.

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

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

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

38 (c) Where the taxpayer can pay his or her property taxes directly
39 and contact information, including but not limited to the phone

1 number, for the statewide foreclosure hotline recommended by the
2 Washington state housing finance commission.

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

9 **Collection of foreclosure costs.**

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

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

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

21 **Periods of armed conflict.**

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

29 **State of emergency.**

30 (10) During a state of emergency declared under RCW
31 43.06.010(12), the county treasurer, on his or her own motion or at
32 the request of any taxpayer affected by the emergency, may grant
33 extensions of the due date of any taxes payable under this section as
34 the treasurer deems proper.

35 **Retention of funds from interest.**

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

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

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

1 (13) The direct cost of foreclosure and sale of real property,
2 and the direct fees and costs of distraint and sale of personal
3 property, for delinquent taxes, must, when collected, be credited to
4 the operation and maintenance fund of the county treasurer
5 prosecuting the foreclosure or distraint or sale; and must be used by
6 the county treasurer as a revolving fund to defray the cost of
7 further foreclosure, distraint, and sale because of delinquent taxes
8 without regard to budget limitations and not subject to indirect
9 costs of other charges.

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

11 **Electronic billings and payments.**

12 (14) For purposes of this chapter, and in accordance with this
13 section and RCW 36.29.190, the treasurer may collect taxes,
14 assessments, fees, rates, interest, and charges by electronic billing
15 and payment. Electronic billing and payment may be used as an option
16 by the taxpayer, but the treasurer may not require the use of
17 electronic billing and payment. Electronic bill presentment and
18 payment may be on a monthly or other periodic basis as the treasurer
19 deems proper for:

- 20 (a) Delinquent tax year payments; and
21 (b) Prepayments of current tax.

22 **Tax payments.**

23 **Prepayment for current taxes.**

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

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

28 (b)(i) The treasurer may provide, by electronic means or
29 otherwise, a payment agreement that provides for payment of current
30 year taxes, inclusive of prepayment collection charges. The payment
31 agreement must be signed by the taxpayer and treasurer or the
32 treasurer's deputy prior to the sending of an electronic or
33 alternative bill, which includes a payment plan for current year
34 taxes.

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

36 (ii)(A) The treasurer may provide, by electronic means or
37 otherwise, a payment agreement for payment of past due delinquencies.
38 The payment agreement must be signed by the taxpayer and treasurer or
39 the treasurer's deputy prior to the sending of an electronic or

1 alternative bill, which includes a payment plan for past due
2 delinquent taxes and charges.

3 (B) Tax payments received by a treasurer for delinquent year
4 taxes from a taxpayer participating on a payment agreement must be
5 applied first to the oldest delinquent year unless such taxpayer
6 requests otherwise.

7 (iii) The treasurer may enter into a payment agreement under
8 (b)(i) or (ii) of this subsection for payment of past due or current
9 year taxes on properties that have their true and fair value reduced
10 as destroyed property pursuant to RCW 84.70.010.

11 **Partial payments: Acceptance of partial payments for current and**
12 **delinquent taxes.**

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

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

21 **Payment for delinquent taxes.**

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

27 **Due date for tax payments.**

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

35 **Electronic funds transfers.**

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

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

39 (b) Any past due property taxes, penalties, and interest under
40 this chapter by electronic funds transfers on a monthly or other

1 periodic basis. Delinquent taxes are subject to interest and
2 penalties, as provided in subsection (5) of this section. All tax
3 payments received by a treasurer from a taxpayer paying delinquent
4 year taxes must be applied first to the oldest delinquent year unless
5 such taxpayer requests otherwise.

6 **Payment for administering prepayment collections.**

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

12 **Waiver of interest and penalties for qualified taxpayers subject**
13 **to foreclosure.**

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

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

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

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

25 **Definitions.**

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

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

32 (b) "Internet" has the same meaning as provided in RCW
33 19.270.010.

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

37 (i) Compensation of employees for the time devoted to
38 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 **Sec. 2.** RCW 84.70.010 and 2005 c 56 s 1 are each amended to read
5 as follows:

6 (1) If, on or before December 31st in any calendar year, any real
7 or personal property placed upon the assessment roll of that year is
8 destroyed in whole or in part, or is in an area that has been
9 declared a disaster area by the governor or the county legislative
10 authority and has been reduced in value by more than twenty percent
11 as a result of a natural disaster or has been reduced in value by
12 more than 20 percent as a result of use restrictions imposed by
13 federal, state, or local government in response to a public health
14 emergency, the true and fair value of such property shall be reduced
15 for that assessment year by an amount determined by taking the true
16 and fair value of such taxable property before destruction or
17 reduction in value and deduct therefrom the true and fair value of
18 the remaining property after destruction or reduction in value.

19 (2) Taxes levied for collection in the year in which the true and
20 fair value has been reduced under subsection (1) of this section
21 shall be abated in whole or in part as provided in this subsection.
22 The amount of taxes to be abated shall be determined by first
23 multiplying the amount deducted from the true and fair value under
24 subsection (1) of this section by the rate of levy applicable to the
25 property in the tax year. Then divide the product by the number of
26 days in the year and multiply the quotient by the number of days
27 remaining in the calendar year after the date of the destruction or
28 reduction in value of the property. If taxes abated under this
29 section have been paid, the amount paid shall be refunded under RCW
30 84.69.020. The tax relief provided for in this section for the tax
31 year in which the damage or destruction occurred does not apply to
32 property damaged or destroyed voluntarily.

33 (3) No reduction in the true and fair value or abatements shall
34 be made more than three years after the date of destruction or
35 reduction in value.

36 (4) The assessor shall make such reduction on his or her own
37 motion; however, the taxpayer may make application for reduction on
38 forms prepared by the department and provided by the assessor. Such
39 application shall include payment by the taxpayer of a fee that the

1 assessor reasonably determines to be commensurate with the cost
2 anticipated of processing the application. The assessor shall notify
3 the taxpayer of the amount of reduction.

4 (5) If destroyed property is replaced prior to the valuation
5 dates contained in RCW 36.21.080 and 36.21.090, the total taxable
6 value for that assessment year shall not exceed the value as of the
7 appropriate valuation date in RCW 36.21.080 or 36.21.090, whichever
8 is appropriate.

9 (6) The taxpayer may appeal the amount of reduction to the county
10 board of equalization in accordance with the provisions of RCW
11 84.40.038. The board shall reconvene, if necessary, to hear the
12 appeal.

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

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