

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1332

Chapter 73, Laws of 2021

67th Legislature
2021 Regular Session

PROPERTY TAX DEFERRAL—COVID-19 PANDEMIC

EFFECTIVE DATE: April 16, 2021

Passed by the House April 14, 2021
Yeas 97 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate April 10, 2021
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Approved April 16, 2021 10:28 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1332** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 16, 2021

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1332

AS AMENDED BY THE SENATE

Passed Legislature - 2021 Regular Session

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; providing an expiration date; and
3 declaring an emergency.

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

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

7 **Treasurers' tax collection duties.**

8 (1) The county treasurer must be the receiver and collector of
9 all taxes extended upon the tax rolls of the county, whether levied
10 for state, county, school, bridge, road, municipal or other purposes,
11 and also of all fines, forfeitures or penalties received by any
12 person or officer for the use of his or her county. No treasurer may
13 accept tax payments or issue receipts for the same until the
14 treasurer has completed the tax roll for the current year's
15 collection and provided notification of the completion of the roll.
16 Notification may be accomplished electronically, by posting a notice
17 in the office, or through other written communication as determined
18 by the treasurer. All real and personal property taxes and
19 assessments made payable by the provisions of this title are due and
20 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) 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 of
8 tax delinquent from the date of delinquency until paid. Interest must
9 be calculated at the rate in effect at the time of the tax payment,
10 regardless of when the taxes were first delinquent. In addition,
11 delinquent taxes under this section are subject to penalties as
12 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 (6) A county treasurer must provide notification to each taxpayer
27 whose taxes have become delinquent under subsections (4) and (5) of
28 this section. The delinquency notice must specify where the taxpayer
29 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

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

38 (7) Within ninety days after the expiration of two years from the
39 date of delinquency (when a taxpayer's taxes have become delinquent),
40 the county treasurer must provide the name and property address of

1 the delinquent taxpayer to a homeownership resource center or any
2 other designated local or state entity recommended by the Washington
3 state housing finance commission.

4 **Collection of foreclosure costs.**

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

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

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

16 **Periods of armed conflict.**

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

24 **State of emergency.**

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

31 (b) (i) Due to the state of emergency declared under RCW
32 43.06.010(12) related to the novel coronavirus, the county treasurer
33 must grant an extension of the due date of any unpaid, nondelinquent
34 taxes payable in 2021, if an eligible taxpayer demonstrates to the
35 county treasurer's satisfaction a loss of at least 25 percent of its
36 revenue attributable to that real property for calendar year 2020
37 compared to calendar year 2019.

38 (ii) (A) Eligible taxpayers must request an extension under this
39 subsection from the county treasurer solely upon forms developed or
40 approved by the department. The county treasurer must deny any

1 extension request that is not filed with the county treasurer by
2 April 30, 2021.

3 (B) An eligible taxpayer requesting an extension under this
4 subsection (10)(b) must certify under penalty of perjury in
5 accordance with chapter 5.50 RCW that the information contained in
6 the extension request is true and correct.

7 (C) County treasurers may grant an extension under this
8 subsection (10)(b) based solely on the information provided in a
9 person's request for extension. County treasurers may, but are not
10 required to, independently verify the information submitted in a
11 request for extension.

12 (iii) A county treasurer granting an extension under this
13 subsection (10)(b) must establish a payment plan for the taxes
14 subject to the extension. The county treasurer may determine the
15 payment schedule and other terms of the payment plan.

16 (A) In setting terms for the payment plan, the county treasurer
17 must consider cash flow and other impacts on all relevant taxing
18 jurisdictions. The county treasurer must prioritize payment plan
19 expenditures to protect scheduled bond payments, and otherwise has
20 discretion as to how payments made under the payment plan are
21 expended.

22 (B) A taxing jurisdiction must report to the county treasurer its
23 current fund balance by April 30, 2021. If granting the extension
24 under this subsection (10)(b) results in any taxing jurisdiction
25 being unable to make scheduled bond payments, then the county
26 treasurer may choose not to grant extensions under this subsection
27 (10)(b).

28 (C) Penalties and interest do not apply to the taxes due under
29 the payment plan so long as the eligible taxpayer fully complies with
30 all the terms of the payment plan.

31 (iv) The county treasurer must process all requests for extension
32 under this subsection (10)(b) by June 30, 2021.

33 (v) The department may, to the extent feasible, considering
34 available resources and data limitations, assist the county
35 treasurer, upon request, in determining whether a person requesting
36 an extension under this subsection (10)(b) is an eligible taxpayer.

37 (vi) The department may, in its sole discretion, at the request
38 of a county treasurer or on its own initiative, audit any person
39 receiving an extension under this subsection (10)(b) to determine if

1 the person was eligible for such extension. The powers of the
2 department under chapter 84.08 RCW apply to these audits.

3 (vii) Any owner of real property receiving an extension under
4 this subsection (10)(b) must pass the entire benefit of the extension
5 to any tenant, and such tenant to any sublessee, if the tenant or
6 sublessee is required by the lease or other contract to pay the
7 property tax expense of the owner. Neither county treasurers nor the
8 department have any responsibility for enforcing this subsection
9 (10)(b)(vii).

10 (viii) The department may adopt rules it deems necessary to
11 administer this subsection (10)(b).

12 (ix) The department is authorized to provide its opinion, if any,
13 to a county treasurer as to whether a person meets the qualifications
14 for an extension under this subsection (10)(b). However, nothing in
15 this subsection (10)(b) requires the department to disclose to a
16 county treasurer details of the revenues of a person requesting or
17 receiving an extension under this subsection (10)(b).

18 (x) For purposes of this subsection (10)(b), the following
19 definitions apply:

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

23 (B) "Eligible taxpayer" means an owner or person responsible for
24 payment of tax on any real property primarily used for business
25 purposes who has experienced a loss of at least 25 percent of its
26 revenue attributable to that real property for calendar year 2020
27 compared to calendar year 2019.

28 (C) "Revenue" means gross revenue, including gross income of the
29 business as defined in RCW 82.04.080 and gross income as defined in
30 RCW 82.16.010.

31 **Retention of funds from interest.**

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

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

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

37 (13) The direct cost of foreclosure and sale of real property,
38 and the direct fees and costs of distraint and sale of personal
39 property, for delinquent taxes, must, when collected, be credited to
40 the operation and maintenance fund of the county treasurer

1 prosecuting the foreclosure or distraint or sale; and must be used by
2 the county treasurer as a revolving fund to defray the cost of
3 further foreclosure, distraint, and sale because of delinquent taxes
4 without regard to budget limitations and not subject to indirect
5 costs of other charges.

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

7 **Electronic billings and payments.**

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

- 16 (a) Delinquent tax year payments; and
17 (b) Prepayments of current tax.

18 **Tax payments.**

19 **Prepayment for current taxes.**

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

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

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

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

32 (ii)(A) The treasurer may provide, by electronic means or
33 otherwise, a payment agreement for payment of past due delinquencies.
34 The payment agreement must be signed by the taxpayer and treasurer or
35 the treasurer's deputy prior to the sending of an electronic or
36 alternative bill, which includes a payment plan for past due
37 delinquent taxes and charges.

38 (B) Tax payments received by a treasurer for delinquent year
39 taxes from a taxpayer participating on a payment agreement must be

1 applied first to the oldest delinquent year unless such taxpayer
2 requests otherwise.

3 **Partial payments: Acceptance of partial payments for current and**
4 **delinquent taxes.**

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

9 (ii) All tax payments received by a treasurer for delinquent year
10 taxes from a taxpayer paying a partial payment must be applied first
11 to the oldest delinquent year unless such taxpayer requests
12 otherwise.

13 **Payment for delinquent taxes.**

14 (d) Payments on past due taxes must include collection of the
15 oldest delinquent year, which includes interest, penalties, and taxes
16 within an eighteen-month period, prior to filing a certificate of
17 delinquency under chapter 84.64 RCW or distraint pursuant to RCW
18 84.56.070.

19 **Due date for tax payments.**

20 (16) All taxes upon real and personal property made payable by
21 the provisions of this title are due and payable to the treasurer on
22 or before the thirtieth day of April and are delinquent after that
23 date. The remainder of the tax is due and payable on or before the
24 following thirty-first of October and is delinquent after that date.
25 All other assessments, fees, rates, and charges are delinquent after
26 the due date.

27 **Electronic funds transfers.**

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

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

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

38 **Payment for administering prepayment collections.**

39 (18) The treasurer must pay any collection costs, investment
40 earnings, or both on past due payments or prepayments to the credit

1 of a county treasurer service fund account to be created and used
2 only for the payment of expenses incurred by the treasurer, without
3 limitation, in administering the system for collecting prepayments.

4 **Waiver of interest and penalties for qualified taxpayers subject**
5 **to foreclosure.**

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

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

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

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

17 **Definitions.**

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

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

24 (b) "Internet" has the same meaning as provided in RCW
25 19.270.010.

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

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

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

34 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of
36 the state government and its existing public institutions, and takes
37 effect immediately.

38 NEW SECTION. **Sec. 3.** This act expires January 1, 2022.

Passed by the House April 14, 2021.
Passed by the Senate April 10, 2021.
Approved by the Governor April 16, 2021.
Filed in Office of Secretary of State April 16, 2021.

--- **END** ---