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**HOUSE BILL 1042**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Wylie and Volz

Prefiled 12/11/24.

1 AN ACT Relating to cost recovery for county treasurers; amending  
2 RCW 84.69.180; adding a new section to chapter 84.69 RCW; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The county treasurer holds a key position  
6 of public trust in the financial affairs of local government. Acting  
7 as the bank for the county, school districts, fire districts, water  
8 districts, and other units of local government, the treasurer's  
9 office receipts, disburses, invests, and accounts for the funds of  
10 each of these entities. In addition, the treasurer is charged with  
11 the collection of various taxes that benefit a wide range of local  
12 and state governmental units. The majority of the workload of the  
13 county treasurer is directed toward providing services to taxing  
14 districts other than the county. This act allows county treasurers to  
15 recover costs related to the billing, collection, and distribution of  
16 property taxes on behalf of tax districts.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.69  
18 RCW to read as follows:

19 (1) A county treasurer may set a cost recovery fee and recover  
20 allowable prior year actual costs on a pro rata basis from each

1 taxing district's tax roll. The first \$50,000 of the district's  
2 aggregate collections must be excluded. Prior year collection rates  
3 may also be considered when establishing the cost recovery fee.

4 (2) The cost recovery fee may not exceed one percent of the  
5 district's tax roll for counties larger than 250,000 and two percent  
6 for counties smaller than 250,000. Real estate excise tax  
7 administration, local investment pool administration, foreclosure and  
8 distraint administration, and other existing recoverable costs shall  
9 not be included.

10 (3) Recovered costs must be credited to the county treasurer's  
11 cost recovery fund without regard to budget limitations and not  
12 subject to indirect costs or other charges, to fund ongoing billing,  
13 collection, and distribution operations.

14 (4) The county treasurer shall furnish the amount of the cost  
15 recovery fee to the affected taxing districts no later than September  
16 1st of the current year.

17 (5) Recovery of capitalized expenditures may not be recovered  
18 over a period of time that exceeds the useful life of the asset.

19 (6) For purposes of this section:

20 (a) "Cost recovery fee" means the total recoverable costs divided  
21 by the total tax roll after the first \$50,000 of the district's  
22 aggregate collections are excluded for real and personal property for  
23 the year in which the cost recovery occurs.

24 (b) "Recoverable costs" means all costs incurred by the county  
25 treasurer during a prior 12-month period for the billing, collection,  
26 and distribution of real and personal property taxes. Real estate  
27 excise tax administration, local investment pool administration,  
28 foreclosure and distraint administration, and other existing  
29 recoverable costs are excluded.

30 **Sec. 3.** RCW 84.69.180 and 2013 c 239 s 1 are each amended to  
31 read as follows:

32 (1) Taxing districts other than the state may levy a tax upon all  
33 the taxable property within the district for the purpose of:

34 (a) Funding refunds paid or to be paid under this chapter, except  
35 for refunds under RCW 84.69.020(1), including interest, as ordered by  
36 the county treasurer or county legislative authority within the  
37 preceding (~~twelve~~) 12 months; (~~and~~)

38 (b) Reimbursing the taxing district for taxes abated or canceled,  
39 offset by any supplemental taxes collected under this title, other

1 than amounts collected under RCW 84.52.018 within the preceding  
2 (~~twelve~~) 12 months. This subsection (1)(b) only applies to  
3 abatements and cancellations that do not require a refund under this  
4 chapter. Abatements and cancellations that require a refund are  
5 included within the scope of (a) of this subsection; and  
6 (c) Reimbursing the taxing district for costs incurred as a  
7 result of county treasurer cost recovery pursuant to section 2 of  
8 this act.  
9 (2) As provided in RCW 84.55.070, the provisions of chapter 84.55  
10 RCW do not apply to a levy made by or for a taxing district under  
11 this section.

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