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SENATE BILL 6768

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State of Washington

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By Senators Pridemore, Delvin, Fairley, and Hewitt

Read first time 01/26/10. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to allowing county treasurers to use electronic  
2 bill presentment and payment that includes an automatic electronic  
3 payment option for property taxes; amending RCW 84.56.020; reenacting  
4 and amending RCW 43.84.092; and adding a new section to chapter 84.56  
5 RCW.

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

7 **Sec. 1.** RCW 84.56.020 and 2008 c 181 s 510 are each amended to  
8 read as follows:

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

1 made payable by the provisions of this title (~~shall be~~) are due and  
2 payable to the treasurer on or before the thirtieth day of April and,  
3 except as provided in this section, shall be delinquent after that  
4 date.

5 (2) Each tax statement (~~shall~~) must include a notice that checks  
6 for payment of taxes may be made payable to "Treasurer of . . . . .  
7 County" or other appropriate office, but tax statements (~~shall~~) may  
8 not include any suggestion that checks may be made payable to the name  
9 of the individual holding the office of treasurer nor any other  
10 individual.

11 (3) When the total amount of tax or special assessments on personal  
12 property or on any lot, block or tract of real property payable by one  
13 person is fifty dollars or more, and if one-half of such tax be paid on  
14 or before the thirtieth day of April, the remainder of such tax (~~shall~~  
15 ~~be~~) is due and payable on or before the thirty-first day of October  
16 following and shall be delinquent after that date.

17 (4) When the total amount of tax or special assessments on any lot,  
18 block or tract of real property or on any mobile home payable by one  
19 person is fifty dollars or more, and if one-half of such tax be paid  
20 after the thirtieth day of April but before the thirty-first day of  
21 October, together with the applicable interest and penalty on the full  
22 amount of tax payable for that year, the remainder of such tax (~~shall~~  
23 ~~be~~) is due and payable on or before the thirty-first day of October  
24 following and (~~shall be~~) is delinquent after that date.

25 (5) Delinquent taxes under this section are subject to interest at  
26 the rate of twelve percent per annum computed on a monthly basis on the  
27 full year amount of tax unpaid from the date of delinquency until paid.  
28 Interest (~~shall~~) must be calculated at the rate in effect at the time  
29 of payment of the tax, regardless of when the taxes were first  
30 delinquent. In addition, delinquent taxes under this section are  
31 subject to penalties as follows:

32 (a) A penalty of three percent of the full year amount of tax  
33 unpaid (~~shall be~~) is assessed on the tax delinquent on June 1st of  
34 the year in which the tax is due.

35 (b) An additional penalty of eight percent (~~shall be~~) is assessed  
36 on the amount of tax delinquent on December 1st of the year in which  
37 the tax is due.

1 (6) Subsection (5) of this section notwithstanding, no interest or  
2 penalties may be assessed during any period of armed conflict on  
3 delinquent taxes imposed on the personal residences owned by active  
4 duty military personnel who are participating as part of one of the  
5 branches of the military involved in the conflict and assigned to a  
6 duty station outside the territorial boundaries of the United States.

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

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

14 (9) All collections of interest on delinquent taxes (~~((shall))~~) must  
15 be credited to the county current expense fund; but the cost of  
16 foreclosure and sale of real property, and the fees and costs of  
17 distraint and sale of personal property, for delinquent taxes,  
18 (~~((shall))~~) must, when collected, be credited to the operation and  
19 maintenance fund of the county treasurer prosecuting the foreclosure or  
20 distraint or sale; and (~~((shall))~~) must be used by the county treasurer  
21 as a revolving fund to defray the cost of further foreclosure,  
22 distraint and sale for delinquent taxes without regard to budget  
23 limitations.

24 (10) For the purposes of this chapter, subject to the provisions of  
25 this section, section 3 of this act, and RCW 36.29.190:

26 (a) A county treasurer is authorized, but not required, to collect  
27 taxes, assessments, fees, rates, and charges by electronic bill  
28 presentment and payment.

29 (b) Electronic bill payment is optional for the taxpayer and may  
30 not be required.

31 (c) Electronic bill presentment and payment may be monthly or such  
32 other periodic basis as the county treasurer deems proper as a  
33 prepayment. All prepayments must be paid in full by the due date in  
34 (e) of this subsection.

35 (d) The county treasurer must provide by electronic means a payment  
36 agreement, which must be approved by the taxpayer prior to the sending  
37 of an electronic bill.

1 (e) All taxes upon real and personal property made payable by the  
2 provisions of this title are due and payable to the county treasurer on  
3 or before the thirtieth day of April and are delinquent after that  
4 date. The remainder of such tax is due and payable on or before the  
5 thirty-first day of October following and is delinquent after that  
6 date. All other assessments, fees, rates, and charges are delinquent  
7 after the due date.

8 (f) The county treasurer must pay any collection costs and  
9 investment earnings on prepayments to the credit of a special interest  
10 account in the operation and maintenance fund of the county treasurer  
11 to be used only for the payment of expenses incurred in administering  
12 the system for collecting prepayments.

13 (11) For the purposes of this section, the following definitions  
14 apply:

15 (a) "Electronic bill presentment and payment" means statements,  
16 invoices, or bills that are created, delivered, and paid using the  
17 internet. The term includes an automatic electronic payment from a  
18 person's checking account, debit account, or credit card.

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

20 NEW SECTION. Sec. 2. A new section is added to chapter 84.56 RCW  
21 to read as follows:

22 (1) To the extent that funds are collected, the department of  
23 revenue must administer a grant program for counties to assist in the  
24 development and implementation of an electronic bill presentment and  
25 payment system and to assist in complying with the requirements of RCW  
26 84.56.020(10).

27 (2) Subject to the limits in subsection (3) of this section, the  
28 amount of the grant is equal to the amount paid by a county to:

29 (a) Purchase computer hardware or software, or to repair or upgrade  
30 existing computer hardware or software, used for the electronic bill  
31 presentment and payment system to collect taxes, assessments, fees,  
32 rates, and charges; and

33 (b) Make changes to existing software that are necessary to comply  
34 with the requirements of RCW 84.56.020(10).

35 (3) No county is eligible for grants under this section totaling  
36 more than one hundred thousand dollars.

1 (4) No more than three million nine hundred thousand dollars in  
2 grants may be awarded under this section.

3 (5) The source of funds for this grant program is the electronic  
4 bill presentment and payment technology grant account created in  
5 subsection (6) of this section.

6 (6) The electronic bill presentment and payment technology grant  
7 account is created in the state treasury. Moneys in the account may be  
8 spent only after appropriation. After July 1, 2011, expenditures from  
9 the account may be used only for grants authorized under RCW  
10 84.56.020(10) in the manner provided for in this section and RCW  
11 84.56.020(10).

12 (7) Any funds remaining in the electronic bill presentment and  
13 payment technology grant account on July 1, 2016, must be deposited in  
14 the general fund.

15 (8) The definitions in RCW 84.56.020 apply to this section.

16 **Sec. 3.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and  
17 2009 c 451 s 8 are each reenacted and amended to read as follows:

18 (1) All earnings of investments of surplus balances in the state  
19 treasury shall be deposited to the treasury income account, which  
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or receive  
22 funds associated with federal programs as required by the federal cash  
23 management improvement act of 1990. The treasury income account is  
24 subject in all respects to chapter 43.88 RCW, but no appropriation is  
25 required for refunds or allocations of interest earnings required by  
26 the cash management improvement act. Refunds of interest to the  
27 federal treasury required under the cash management improvement act  
28 fall under RCW 43.88.180 and shall not require appropriation. The  
29 office of financial management shall determine the amounts due to or  
30 from the federal government pursuant to the cash management improvement  
31 act. The office of financial management may direct transfers of funds  
32 between accounts as deemed necessary to implement the provisions of the  
33 cash management improvement act, and this subsection. Refunds or  
34 allocations shall occur prior to the distributions of earnings set  
35 forth in subsection (4) of this section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury income  
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,  
2 safekeeping, and disbursement functions for the state treasury and  
3 affected state agencies. The treasury income account is subject in all  
4 respects to chapter 43.88 RCW, but no appropriation is required for  
5 payments to financial institutions. Payments shall occur prior to  
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the treasury  
10 income account except:

11 The following accounts and funds shall receive their proportionate  
12 share of earnings based upon each account's and fund's average daily  
13 balance for the period: The aeronautics account, the aircraft search  
14 and rescue account, the budget stabilization account, the capitol  
15 building construction account, the Cedar River channel construction and  
16 operation account, the Central Washington University capital projects  
17 account, the charitable, educational, penal and reformatory  
18 institutions account, the cleanup settlement account, the Columbia  
19 river basin water supply development account, the common school  
20 construction fund, the county arterial preservation account, the county  
21 criminal justice assistance account, the county sales and use tax  
22 equalization account, the data processing building construction  
23 account, the deferred compensation administrative account, the deferred  
24 compensation principal account, the department of licensing services  
25 account, the department of retirement systems expense account, the  
26 developmental disabilities community trust account, the drinking water  
27 assistance account, the drinking water assistance administrative  
28 account, the drinking water assistance repayment account, the Eastern  
29 Washington University capital projects account, the education  
30 construction fund, the education legacy trust account, the election  
31 account, the electronic bill presentment and payment technology grant  
32 account, the energy freedom account, the energy recovery act account,  
33 the essential rail assistance account, The Evergreen State College  
34 capital projects account, the federal forest revolving account, the  
35 ferry bond retirement fund, the freight congestion relief account, the  
36 freight mobility investment account, the freight mobility multimodal  
37 account, the grade crossing protective fund, the public health services  
38 account, the health system capacity account, the personal health

1 services account, the high capacity transportation account, the state  
2 higher education construction account, the higher education  
3 construction account, the highway bond retirement fund, the highway  
4 infrastructure account, the highway safety account, the high occupancy  
5 toll lanes operations account, the industrial insurance premium refund  
6 account, the judges' retirement account, the judicial retirement  
7 administrative account, the judicial retirement principal account, the  
8 local leasehold excise tax account, the local real estate excise tax  
9 account, the local sales and use tax account, the medical aid account,  
10 the mobile home park relocation fund, the motor vehicle fund, the  
11 motorcycle safety education account, the multimodal transportation  
12 account, the municipal criminal justice assistance account, the  
13 municipal sales and use tax equalization account, the natural resources  
14 deposit account, the oyster reserve land account, the pension funding  
15 stabilization account, the perpetual surveillance and maintenance  
16 account, the public employees' retirement system plan 1 account, the  
17 public employees' retirement system combined plan 2 and plan 3 account,  
18 the public facilities construction loan revolving account beginning  
19 July 1, 2004, the public health supplemental account, the public  
20 transportation systems account, the public works assistance account,  
21 the Puget Sound capital construction account, the Puget Sound ferry  
22 operations account, the Puyallup tribal settlement account, the real  
23 estate appraiser commission account, the recreational vehicle account,  
24 the regional mobility grant program account, the resource management  
25 cost account, the rural arterial trust account, the rural Washington  
26 loan fund, the site closure account, the small city pavement and  
27 sidewalk account, the special category C account, the special wildlife  
28 account, the state employees' insurance account, the state employees'  
29 insurance reserve account, the state investment board expense account,  
30 the state investment board commingled trust fund accounts, the state  
31 patrol highway account, the state route number 520 corridor account,  
32 the supplemental pension account, the Tacoma Narrows toll bridge  
33 account, the teachers' retirement system plan 1 account, the teachers'  
34 retirement system combined plan 2 and plan 3 account, the tobacco  
35 prevention and control account, the tobacco settlement account, the  
36 transportation 2003 account (nickel account), the transportation  
37 equipment fund, the transportation fund, the transportation improvement  
38 account, the transportation improvement board bond retirement account,

1 the transportation infrastructure account, the transportation  
2 partnership account, the traumatic brain injury account, the tuition  
3 recovery trust fund, the University of Washington bond retirement fund,  
4 the University of Washington building account, the urban arterial trust  
5 account, the volunteer firefighters' and reserve officers' relief and  
6 pension principal fund, the volunteer firefighters' and reserve  
7 officers' administrative fund, the Washington fruit express account,  
8 the Washington judicial retirement system account, the Washington law  
9 enforcement officers' and firefighters' system plan 1 retirement  
10 account, the Washington law enforcement officers' and firefighters'  
11 system plan 2 retirement account, the Washington public safety  
12 employees' plan 2 retirement account, the Washington school employees'  
13 retirement system combined plan 2 and 3 account, the Washington state  
14 health insurance pool account, the Washington state patrol retirement  
15 account, the Washington State University building account, the  
16 Washington State University bond retirement fund, the water pollution  
17 control revolving fund, and the Western Washington University capital  
18 projects account. Earnings derived from investing balances of the  
19 agricultural permanent fund, the normal school permanent fund, the  
20 permanent common school fund, the scientific permanent fund, and the  
21 state university permanent fund shall be allocated to their respective  
22 beneficiary accounts. All earnings to be distributed under this  
23 subsection (4) shall first be reduced by the allocation to the state  
24 treasurer's service fund pursuant to RCW 43.08.190.

25 (5) In conformance with Article II, section 37 of the state  
26 Constitution, no treasury accounts or funds shall be allocated earnings  
27 without the specific affirmative directive of this section.

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