

2 **SHB 1570 - H AMD 433**

3 By Representative L. Thomas

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** This chapter shall be known as the taxpayer
8 fairness and relief act.

9 NEW SECTION. **Sec. 2.** The legislature finds that complexities in
10 applying the existing state tax statutes is preventing the state from
11 collecting significant amounts of taxes owed by taxpayers who fail to
12 voluntarily pay their taxes as they come due. As a result other
13 taxpayers must pay more than their fair share. The intention of the
14 legislature in this chapter is to provide a more effective, uniform,
15 and fair collection of state taxes, thereby protecting taxpayers who
16 pay their taxes voluntarily and enhancing the revenues of the state.

17 NEW SECTION. **Sec. 3.** Unless the context clearly requires
18 otherwise, the definitions in this section apply throughout this
19 chapter.

20 (1) "Tax" means the following taxes and contributions:

21 (a) Employers' contributions under Title 50 RCW;

22 (b) Premiums under Title 51 RCW;

23 (c) Taxes subject to the provisions of chapter 82.32 RCW, under RCW
24 82.32.010, except the watercraft excise tax under chapter 82.49 RCW;

25 (d) Motor vehicle fuel tax under chapter 82.36 RCW;

26 (e) Special fuel tax under chapter 82.38 RCW;

27 (f) Motor vehicle fuel importer tax under chapter 82.37 RCW; and

28 (g) Taxes required under the proportional registration provisions
29 of chapter 46.87 RCW.

30 (2) "Taxpayer" means any person or entity, other than a taxing
31 agency of the state, liable for the payment or collection of any tax.

32 NEW SECTION. **Sec. 4.** If any person or entity liable for the tax
33 fails to pay the tax within fifteen days after a tax becomes due and

1 payable, a lien in favor of the state of Washington may arise and shall
2 be fully perfected only if the agent responsible for the collection of
3 the tax files or records a notice of lien in accordance with the
4 provisions of either section 6, 7, or 8 of this act or a combination
5 thereof. In addition to the tax due, the lien amount may include any
6 unpaid interest, penalties, and costs including subsequent collection
7 costs. The lien may attach to all property and rights to property,
8 whether real or personal, belonging to the person or entity. If
9 property is acquired by the taxpayer after a lien has been properly
10 perfected as required under this section, a separate notice of lien
11 shall be filed with respect to such property. Any lien properly
12 perfected under this section shall be subordinate to:

13 (1) Any consensual security interest in real property or personal
14 property (including rents and fixtures) and the interest of any bona
15 fide purchaser for value (including a purchaser under a real estate
16 contract) that is recorded or filed against such property pursuant to
17 applicable law or is otherwise perfected in accordance with Title 62A
18 RCW; and

19 (2) Any lien arising under a statute of the state of Washington,
20 including the lien of any judgment, execution, attachment, or
21 garnishment, that attaches to real or personal property, and any right
22 of setoff or common law possessory lien on securities or documents that
23 arises prior to the recording or filing of notice of the lien in
24 accordance with sections 6 and 7 of this act, as applicable.

25 NEW SECTION. **Sec. 5.** No lien shall be perfected regarding any tax
26 assessment that is in dispute and is being properly contested or
27 appealed under applicable state statutes. Nor shall any lien be
28 perfected during the time period provided to a taxpayer to appeal a tax
29 assessment.

30 NEW SECTION. **Sec. 6.** As to real property and fixtures, the notice
31 of lien required by section 4 of this act shall be recorded with the
32 county auditor in any county in which the taxpayer owns real property.

33 NEW SECTION. **Sec. 7.** As to tangible or intangible personal
34 property, the notice of lien required by section 4 of this act shall be
35 filed with the department of licensing in Olympia. All such filed
36 liens shall be indexed by the department of licensing in the same

1 manner of indexing as financing statements pursuant to RCW 62A.9-402(4)
2 and such other tax lien recordings, including but not limited to liens
3 claimed by the United States under 26 U.S.C. Sec. 6321 et seq.

4 NEW SECTION. **Sec. 8.** The notice of lien required by section 4 of
5 this act shall be filed with the clerk of the superior court in any
6 county in the state. The clerk shall index the lien as if it were a
7 judgment obtained in the superior court by the taxing agency against
8 the taxpayer. Filing the lien, or failure to file the lien, as a
9 judgment lien, shall not impair the prior perfected lien of the state
10 or alter the rights or remedies otherwise provided for. This provision
11 for filing the lien as a judgment is intended to facilitate recording
12 the tax claim as a foreign judgment in another state or country.
13 Nothing contained in this section shall be construed to permit the
14 taxing agency to foreclose or otherwise realize upon a lien filed under
15 this section as a judgment lien unless and until the liability of the
16 taxpayer and the validity and priority of the lien have been determined
17 in accordance with applicable law.

18 NEW SECTION. **Sec. 9.** As to homestead property of an individual
19 taxpayer, a lien recorded as provided in section 8 of this act shall
20 not become fully perfected unless the agent responsible for collection
21 of the tax has taken the proper legal action to perfect the lien
22 against such property.

23 NEW SECTION. **Sec. 10.** Any agent responsible for collection of tax
24 recording or filing a notice of lien pursuant to this chapter shall use
25 a document conforming in substantial part to the following format:

26 FOR USE BY RECORDING OFFICE
27 á ~~~~~ ç
28 † †
29 † †
30 † †
31 † †
32 † †
33 † †
34 † †
35 † †
36 † †
37 ~~~~~ Z

38 WASHINGTON STATE UNIFORM NOTICE OF TAX LIEN

1 | Department of Revenue
 2 | Department of Labor and Industries
 3 | Department of Employment Security
 4 | OTHER:

5 District Office: UBI:

6 Acct. No.

7 As provided for under RCW et seq. NOTICE IS HEREBY GIVEN
 8 that taxes, including interest and penalties, have been assessed
 9 against the following named taxpayer. The taxpayer has failed to pay
 10 taxes within fifteen days from the due date of which
 11 was served on the taxpayer on **THE FAILURE TO PAY**
 12 **TAXES TIMELY HAS CREATED A LIEN IN FAVOR OF THE STATE OF WASHINGTON**
 13 **AGAINST ANY AND ALL REAL PROPERTY LOCATED IN THE COUNTY IN WHICH THIS**
 14 **NOTICE IS FILED, AND ALL PERSONAL PROPERTY LOCATED IN THE STATE OF**
 15 **WASHINGTON BELONGING TO THIS TAXPAYER.**

16 NAME OF TAXPAYER:

17 BUSINESS ADDRESS:

18

19

20 | If this section is marked and completed, the taxing agency is
 21 asserting that the individual or entity named below holds property
 22 of the taxpayer that is subject to this lien.

23 (THE RECORDING OFFICE SHALL INDEX THIS LIEN IN THE NAMES OF BOTH THE
 24 TAXPAYER AND THE ENTITY OR INDIVIDUAL(S) SET FORTH BELOW.)

25 NAME OF ENTITY/INDIVIDUAL:

26 BUSINESS ADDRESS:

27

28

29	TAX	ú	TAX	BEGAN	ENDED	ASSESSMENT	AMOUNT	INTEREST
30			PERIOD			DATE	DUE	
31								
32								
33								
34								
35								
36								

37 TOTAL DUE: \$

- 1 BASIS FOR TAX:
- 2 1 TAXPAYER REPORT
- 3 1 ESTIMATED TAX
- 4 1 JEOPARDY ASSESSMENT

5 I hereby certify that I have the authority to prepare and record and
6 file this notice of lien against the above-referenced account and that
7 information set forth herein is accurate to the best of my knowledge,
8 based on records maintained by the agency of the State of Washington
9 specified above.

10 Dated:

11 Signature:

12 Agent Name:

13 Address:

14

15 Telephone Number:

16 NEW SECTION. **Sec. 11.** When a lien has been properly perfected as
17 provided in section 4 of this act, it shall remain in full force and
18 effect until satisfied, until released as uncollectible or legally
19 unenforceable, or until ten years after the date on which the lien was
20 recorded or filed if applicable, whichever occurs first.

21 NEW SECTION. **Sec. 12.** A lien properly perfected as provided in
22 section 4 of this act may be judicially foreclosed under applicable
23 state statute.

24 NEW SECTION. **Sec. 13.** The agent responsible for collection of
25 the tax, in its discretion and pursuant to a properly perfected lien,
26 may issue an order under its official seal designating the sheriff of
27 the county in which property is located as its agent to levy upon and
28 sell such property as may be necessary to satisfy payment of
29 outstanding tax liability, costs of sale, and any other costs of
30 collection. The sheriff shall thereupon proceed upon the same in all
31 respects and with like effect as prescribed by law with respect to
32 execution or other process issued against rights or property upon
33 judgments of the superior court.

1 NEW SECTION. **Sec. 14.** (1) Upon seizing any property, the sheriff
2 shall:

3 (a) Prepare a notice providing an inventory of the property seized
4 and a statement of the time and place of the sale of the property;

5 (b) Post in at least two public places in the county in which the
6 seizure has been made a notice specifying the property to be sold and
7 the time and place of sale; and

8 (c) Publish the notice twice in a newspaper of general circulation
9 within the county, between twenty-five and twenty-two days before sale
10 and between eleven and eight days before sale;

11 (d) Upon obtaining a certificate of UCC filing pursuant to RCW
12 62A.9-407, send such notice to any other secured party claiming an
13 interest that is junior or subordinate to the lien of the state. In
14 the notice, it shall be prominently stated that the disposition by sale
15 shall transfer all the debtor/taxpayer's rights, discharge all such
16 remaining junior or subordinate lien claims, and cause purchaser to
17 take free of all such rights and interests.

18 (2) The time of the sale shall be as follows:

19 (a) If nonperishable goods are involved, no sale shall be set
20 earlier than twenty-eight days after posting.

21 (b) If the goods involved are perishable, of a type that are
22 customarily sold on a recognized market, or threaten to decline
23 speedily in value, the goods may be sold as early as five days after
24 the later of posting or publication; but in any event there must be at
25 least one publication of notice of sale, at least five days before
26 sale.

27 (3) Upon a showing of good cause the superior court of the county
28 in which the sale is to be conducted may authorize a sale waiving or
29 modifying any or all of the time, notice, or publication requirements
30 of this section.

31 NEW SECTION. **Sec. 15.** (1) The sale of any property may be
32 continued from time to time without further notice or publication, but
33 the sale must be held within sixty days of the date originally set.

34 (2) The agent may sell by parcel, lot, or unit at public auction
35 and may set a minimum bid price to include costs of the sale and
36 storage of the property.

37 (3) If not otherwise prohibited by applicable statute, the agent
38 may cause the property to be included, in whole or in part, in a

1 commercial auction, subject to the procedures set forth in this
2 chapter, if the taxing agency has reason to believe the highest and
3 best price can be obtained by this process in lieu of public auction by
4 the agency itself.

5 (4) If no bid is received, or if no bid is received meeting a
6 minimum price that was set, the taxing agency shall be deemed to be the
7 successful bidder at the minimum price, or at the amount of the costs
8 of storing and selling the property if no minimum price was set. The
9 tax lien shall be reduced by the amount received from the sale or the
10 amount deemed to constitute the taxing agency's successful bid.

11 (5) Successful bidders shall be entitled to a bill of sale, or
12 deed without warranty, stating that the sale is without warranty as to
13 status of title or condition of property, and that transfer is only of
14 such right, title, or interest as the agent responsible for collections
15 of the tax may have in the property.

16 NEW SECTION. **Sec. 16.** Any proceeds of a property sale shall be
17 used, first, to pay the costs of the sale; second, to satisfy the lien
18 of the agent responsible for collection of the tax, including all
19 accrued penalties, interest, and costs. Any surplus remaining
20 thereafter shall be returned to the taxpayer. When the total amount of
21 the tax due, including all accrued penalties, interest, and costs are
22 received by the agent responsible for collection of the tax, the
23 judgment docket shall show the claim for taxes to be satisfied and the
24 clerk of the court shall so note upon the docket. If the proceeds of
25 the sale are not sufficient to satisfy the lien that prompted the sale,
26 the amount of any remaining deficiency shall continue under the lien
27 and may be collected in the same manner as the original amount of the
28 lien.

29 NEW SECTION. **Sec. 17.** The taxing agency may seek the appointment
30 of a receiver pursuant to Title 7 RCW, to operate a business or retain
31 possession and control of property for an initial term of up to six
32 months, renewable thereafter. Property may be sold by the receiver
33 free and clear of liens, with rights attaching to the proceeds in the
34 same nature, rank, and priority as the liens had on the property.

35 (1) The taxpayer shall be liable for all federal and state taxes
36 on any gain realized by the sale of such property.

37 (2) It shall not be a defense or bar to the proposed sale of

1 property that the liens attaching to the property exceed the property's
2 value.

3 NEW SECTION. **Sec. 18.** When:

4 (1) A tax lien remains unsatisfied;

5 (2) There is probable cause to believe that property or business
6 records of the taxpayer have been removed or secreted from their
7 premises or are in the possession of a third party; or

8 (3) The taxpayer has prevented access to the business premises,
9 any judge of the superior or district court in the county in which the
10 property is located, may, upon request of the agent responsible for
11 collection of the tax, issue a warrant authorizing the sheriff or
12 officers of the department to search for and seize the property
13 described in the request for warrant. Application for, issuance, and
14 execution and return of this warrant shall be made in accordance with
15 criminal rules of the superior or district court from which the warrant
16 issues.

17 NEW SECTION. **Sec. 19.** The provisions of this chapter regarding
18 the perfection, priority, and collection of state tax liens, and the
19 recovery of the costs of collection, apply to every state tax lien
20 existing on the effective date of this act including liens arising from
21 the filing of warrants and claims of liens, and liens arising from
22 other procedures authorized by statute.

23 NEW SECTION. **Sec. 20.** Statutory rights of administrative
24 garnishment, offset, recoupment, notices to withhold and deliver, and
25 other collection mechanisms are preserved with the adoption of this
26 chapter, along with other rights afforded a creditor under state law
27 for supplemental proceedings.

28 NEW SECTION. **Sec. 21.** A new section is added to chapter 61.24
29 RCW to read as follows:

30 When the state of Washington holds a perfected lien, warrant,
31 prejudgment attachment, encumbrance, or judgment of record at the time
32 a notice of trustee sale issues from the trustee of record, the trustee
33 must concurrently send to the state of Washington the following
34 information:

35 (1) Notice of trustee's sale;

- 1 (2) Notice of foreclosure;
- 2 (3) Title report; and
- 3 (4) Such other information as the internal revenue service then
- 4 requires under applicable statute or regulation.

5 The information shall be served upon the state at an address and
6 in a manner designated by rules set forth in the Washington
7 Administrative Code.

8 NEW SECTION. **Sec. 22.** A new section is added to chapter 61.24
9 RCW to read as follows:

10 The trustee shall obtain a title report update thirty days prior
11 to sale. Should a state of Washington perfected lien, warrant,
12 prejudgment attachment, encumbrance, or judgment then appear of record
13 for the first time, the trustee must concurrently send to the state of
14 Washington the documents and information set forth in section 21 of
15 this act within the same deadlines then established by the internal
16 revenue service under applicable statute or rule.

17 NEW SECTION. **Sec. 23.** The provisions of this chapter insofar as
18 they are substantially the same as statutory provisions repealed by
19 this act, and relate to the same subject matter, shall be construed as
20 restatements and continuations of the law, and not as new enactments.

21 **Sec. 24.** RCW 50.24.060 and 1983 1st ex.s. c 23 s 15 are each
22 amended to read as follows:

23 In the event of any distribution of an employer's assets pursuant
24 to an order of any court, including any receivership, probate, legal
25 dissolution, or similar proceeding, or in case of any assignment for
26 the benefit of creditors, composition, or similar proceeding,
27 contributions, interest, or penalties then or thereafter due shall be
28 a lien upon all the assets of such employer. Said lien will be prior
29 to all other liens or claims except prior tax liens, other liens
30 provided by this title, and claims for remuneration for services of not
31 more than two hundred and fifty dollars to each claimant earned within
32 six months of the commencement of the proceeding. The mere existence
33 of a condition of insolvency or the institution of any judicial
34 proceeding for legal dissolution or of any proceeding for distribution
35 of assets shall cause such a lien to attach without action on behalf of
36 the commissioner or the state. (~~In the event of an employer's~~

1 adjudication in bankruptcy, judicially confirmed extension proposal, or
2 composition, under the federal bankruptcy act of 1898, as amended,
3 contributions, interest, or penalties then or thereafter due shall be
4 entitled to such priority as provided in that act, as amended.))

5 **Sec. 25.** RCW 51.16.155 and 1985 c 315 s 3 are each amended to
6 read as follows:

7 In every case where an employer insured with the state fails or
8 refuses to file any report of payroll required by the department and
9 fails or refuses to pay the premiums due on such unreported payroll,
10 the department shall have authority to estimate such payroll and the
11 premiums due thereon and collect premiums on the basis of such
12 estimate.

13 If the report required and the premiums due thereon are not made
14 within ten days from the mailing of such demand by the department,
15 which shall include the amount of premiums estimated by the department,
16 the employer shall be in default as provided by this title and the
17 department may have and recover judgment(~~(, warrant,)~~) or file or
18 record liens for such estimated premium or the actual premium,
19 whichever is greater.

20 **Sec. 26.** RCW 51.48.140 and 1989 c 175 s 121 are each amended to
21 read as follows:

22 If a notice of appeal is not served on the director and the board
23 of industrial insurance appeals pursuant to RCW 51.48.131 within thirty
24 days from the date of service of the notice of assessment, or if a
25 final decision and order of the board of industrial insurance appeals
26 in favor of the department is not appealed to superior court in the
27 manner specified in RCW 34.05.510 through 34.05.598, or if a final
28 decision of any court in favor of the department is not appealed within
29 the time allowed by law, then the amount of the unappealed assessment,
30 or such amount of the assessment as is found due by the final decision
31 and order of the board of industrial insurance appeals or final
32 decision of the court shall be deemed final (~~(and the director or the~~
33 ~~director's designee may file with the clerk of any county within the~~
34 ~~state a warrant in the amount of the notice of assessment. The clerk~~
35 ~~of the county wherein the warrant is filed shall immediately designate~~
36 ~~a superior court cause number for such warrant, and the clerk shall~~
37 ~~cause to be entered in the judgment docket under the superior court~~

1 ~~cause number assigned to the warrant, the name of such employer~~
2 ~~mentioned in the warrant, the amount of the taxes and penalties due~~
3 ~~thereon, and the date when such warrant was filed. The aggregate~~
4 ~~amount of such warrant as docketed shall become a lien upon the title~~
5 ~~to, and interest in all real and personal property of the employer~~
6 ~~against whom the warrant is issued, the same as a judgment in a civil~~
7 ~~case duly docketed in the office of such clerk. The sheriff shall~~
8 ~~thereupon proceed upon the same in all respects and with like effect as~~
9 ~~prescribed by law with respect to execution or other process issued~~
10 ~~against rights or property upon judgment in the superior court. Such~~
11 ~~warrant so docketed shall be sufficient to support the issuance of~~
12 ~~writs of garnishment in favor of the state in a manner provided by law~~
13 ~~in case of judgment, wholly or partially unsatisfied. The clerk of the~~
14 ~~court shall be entitled to a filing fee of five dollars, which shall be~~
15 ~~added to the amount of the warrant. A copy of such warrant shall be~~
16 ~~mailed to the employer within three days of filing with the clerk)).~~

17 **Sec. 27.** RCW 51.48.160 and 1986 c 9 s 13 are each amended to read
18 as follows:

19 If any ((~~warrant issued~~)) lien filed or recorded under this title
20 is not paid within thirty days after it has been filed ((~~with the clerk~~
21 ~~of the superior court~~)), or if any employer is delinquent, for three
22 consecutive reporting periods, in the transmission to the department of
23 taxes due, the department may, by order issued under its official seal,
24 revoke the certificate of coverage of the employer against whom the
25 ((~~warrant~~)) lien was ((~~issued~~)) filed or recorded; and if the order is
26 entered, a copy thereof shall be posted in a conspicuous place at the
27 main entrance to the employer's place of business and shall remain
28 posted until such time as the ((~~warrant~~)) lien has been paid. Any
29 certificate so revoked shall not be reinstated, nor shall a new
30 certificate of coverage be issued to the employer, until the amount due
31 on the ((~~warrant~~)) lien has been paid, or provisions for payment
32 satisfactory to the department have been entered, and until the
33 taxpayer has deposited with the department such security for payment of
34 any taxes, increases, and penalties, due or which may become due in an
35 amount and under such terms and conditions as the department may
36 require, but the amount of the security shall not be greater than one-
37 half the estimated average annual taxes of the employer.

1 **Sec. 28.** RCW 51.48.210 and 1987 c 111 s 8 are each amended to
2 read as follows:

3 If payment of any tax due is not received by the department by the
4 due date, there shall be assessed a penalty of five percent of the
5 amount of the tax for the first month or part thereof of delinquency;
6 there shall be assessed a total penalty of ten percent of the amount of
7 the tax for the second month or part thereof of delinquency; and there
8 shall be assessed a total penalty of twenty percent of the amount of
9 the tax for the third month or part thereof of delinquency. No penalty
10 so added may be less than ten dollars. If a (~~warrant~~) lien is
11 (~~issued~~) filed or recorded by the department for the collection of
12 taxes, increases, and penalties, there shall be added thereto a penalty
13 of five percent of the amount of the tax, but not less than five
14 dollars nor greater than one hundred dollars. In addition, delinquent
15 taxes shall bear interest at the rate of one percent of the delinquent
16 amount per month or fraction thereof from and after the due date until
17 payment, increases, and penalties are received by the department.

18 **Sec. 29.** RCW 82.32.090 and 1992 c 206 s 3 are each amended to
19 read as follows:

20 (1) If payment of any tax due on a return to be filed by a
21 taxpayer is not received by the department of revenue by the due date,
22 there shall be assessed a penalty of five percent of the amount of the
23 tax; and if the tax is not received within thirty days after the due
24 date, there shall be assessed a total penalty of ten percent of the
25 amount of the tax; and if the tax is not received within sixty days
26 after the due date, there shall be assessed a total penalty of twenty
27 percent of the amount of the tax. No penalty so added shall be less
28 than five dollars.

29 (2) If payment of any tax assessed by the department of revenue is
30 not received by the department by the due date specified in the notice,
31 or any extension thereof, the department shall add a penalty of ten
32 percent of the amount of the additional tax found due. No penalty so
33 added shall be less than five dollars.

34 (3) If a (~~warrant be issued~~) notice of lien is filed or recorded
35 by the department of revenue for the collection of taxes, (~~increases~~)
36 interest, and penalties, there shall be added thereto a penalty of five
37 percent of the amount of the tax, but not less than ten dollars,
38 together with interest on the unpaid sums at the rate of one percent

1 per month in addition to the interest that accrued prior to the date of
2 filing or recording of the notice of lien.

3 (4) If the department finds that all or any part of a deficiency
4 resulted from the disregard of specific written instructions as to
5 reporting or tax liabilities, the department shall add a penalty of ten
6 percent of the amount of the additional tax found due because of the
7 failure to follow the instructions. A taxpayer disregards specific
8 written instructions when the department of revenue has informed the
9 taxpayer in writing of the taxpayer's tax obligations and the taxpayer
10 fails to act in accordance with those instructions unless the
11 department has not issued final instructions because the matter is
12 under appeal pursuant to this chapter or departmental regulations. The
13 department shall not assess the penalty under this section upon any
14 taxpayer who has made a good faith effort to comply with the specific
15 written instructions provided by the department to that taxpayer.
16 Specific written instructions may be given as a part of a tax
17 assessment, audit, determination, or closing agreement, provided that
18 such specific written instructions shall apply only to the taxpayer
19 addressed or referenced on such documents. Any specific written
20 instructions by the department of revenue shall be clearly identified
21 as such and shall inform the taxpayer that failure to follow the
22 instructions may subject the taxpayer to the penalties imposed by this
23 subsection.

24 (5) If the department finds that all or any part of the deficiency
25 resulted from an intent to evade the tax payable hereunder, a further
26 penalty of fifty percent of the additional tax found to be due shall be
27 added.

28 (6) The aggregate of penalties imposed under this section for
29 failure to pay a tax due on a return by the due date, late payment of
30 any tax, increase, or penalty, or ~~((issuance))~~ filing or recording of
31 a ~~((warrant))~~ lien shall not exceed thirty-five percent of the tax due,
32 or twenty dollars, whichever is greater.

33 (7) The department of revenue may not impose both the evasion
34 penalty and the penalty for disregarding specific written instructions
35 on the same tax found to be due.

36 **Sec. 30.** RCW 82.32.215 and 1983 1st ex.s. c 55 s 9 are each
37 amended to read as follows:

38 If any ~~((warrant—issued))~~ lien filed or recorded under this

1 chapter is not paid within thirty days after it has been filed (~~with~~
2 ~~the clerk of the superior court~~), or if any taxpayer is delinquent,
3 for three consecutive reporting periods, in the transmission to the
4 department of revenue of retail sales tax collected by (~~him~~) the
5 taxpayer, the department (~~of revenue~~) may, by order issued under its
6 official seal, revoke the certificate of registration of the taxpayer
7 against whom the warrant was issued, and, if the order is entered, a
8 copy thereof shall be posted in a conspicuous place at the main
9 entrance to the taxpayer's place of business and shall remain posted
10 until such time as the (~~warrant~~) lien has been paid. Any certificate
11 so revoked shall not be reinstated, nor shall a new certificate of
12 registration be issued to the taxpayer, until the amount due on the
13 (~~warrant~~) lien has been paid, or provisions for payment satisfactory
14 to the department of revenue have been entered, and until the taxpayer
15 has deposited with the department of revenue such security for payment
16 of any taxes, increases, and penalties, due or which may become due in
17 an amount and under such terms and conditions as the department of
18 revenue may require, but the amount of the security shall not be
19 greater than one-half the estimated average annual liability of the
20 taxpayer.

21 **Sec. 31.** RCW 82.32.235 and 1987 c 208 s 1 are each amended to
22 read as follows:

23 In addition to the remedies provided in this chapter the
24 department is hereby authorized to issue to any person, or to any
25 political subdivision or department of the state, a notice and order to
26 withhold and deliver property of any kind whatsoever when there is
27 reason to believe that there is in the possession of such person,
28 political subdivision or department, property which is or shall become
29 due, owing, or belonging to any taxpayer against whom a (~~warrant~~)
30 lien has been filed or recorded.

31 The notice and order to withhold and deliver shall be served by
32 the sheriff of the county wherein the service is made, or by his or her
33 deputy, or by any duly authorized representative of the department,
34 provided that service by such persons may also be made by certified
35 mail, with return receipt requested, upon those persons, or political
36 subdivision or department, to whom the notice (~~and order to~~) of
37 withhold and deliver is directed. Any person, or any political
38 subdivision or department upon whom service has been made is hereby

1 required to answer the notice within twenty days exclusive of the day
2 of service, under oath and in writing, and shall make true answers to
3 the matters inquired of in the notice.

4 In the event there is in the possession of any such person or
5 political subdivision or department, any property which may be subject
6 to the claim of the department, such property shall be delivered
7 forthwith to the department of revenue or its duly authorized
8 representative upon demand to be held in trust by the department for
9 application on the indebtedness involved or for return, without
10 interest, in accordance with final determination of liability or
11 nonliability, or in the alternative, there shall be furnished a good
12 and sufficient bond (~~(satisfactory)~~) to the department conditioned upon
13 final determination of liability.

14 Should any person or political subdivision fail to make answer to
15 an order to withhold and deliver within the time prescribed herein, it
16 shall be lawful for the court, after the time to answer (~~(such order)~~)
17 has expired, to render judgment by default against such person or
18 political subdivision for the full amount claimed by the department in
19 the notice to withhold and deliver, together with costs.

20 **Sec. 32.** RCW 82.32.330 and 1991 c 330 s 1 are each amended to
21 read as follows:

22 (1) For purposes of this section:

23 (a) "Disclose" means to make known to any person in any manner
24 whatever a return or tax information;

25 (b) "Return" means a tax or information return or claim for refund
26 required by, or provided for or permitted under, the laws of this state
27 which is filed with the department of revenue by, on behalf of, or with
28 respect to a person, and any amendment or supplement thereto, including
29 supporting schedules, attachments, or lists that are supplemental to,
30 or part of, the return so filed;

31 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
32 nature, source, or amount of the taxpayer's income, payments, receipts,
33 deductions, exemptions, credits, assets, liabilities, net worth, tax
34 liability deficiencies, overassessments, or tax payments, whether taken
35 from the taxpayer's books and records or any other source, (iii)
36 whether the taxpayer's return was, is being, or will be examined or
37 subject to other investigation or processing, (iv) a part of a written
38 determination that is not designated as a precedent and disclosed

1 pursuant to RCW 82.32.410, or a background file document relating to a
2 written determination, and (v) other data received by, recorded by,
3 prepared by, furnished to, or collected by the department of revenue
4 with respect to the determination of the existence, or possible
5 existence, of liability, or the amount thereof, of a person under the
6 laws of this state for a tax, penalty, interest, fine, forfeiture, or
7 other imposition, or offense: PROVIDED, That data, material, or
8 documents that do not disclose information related to a specific or
9 identifiable taxpayer do not constitute tax information under this
10 section. Except as provided by RCW 82.32.410, nothing in this chapter
11 shall require any person possessing data, material, or documents made
12 confidential and privileged by this section to delete information from
13 such data, material, or documents so as to permit its disclosure;

14 (d) "State agency" means every Washington state office,
15 department, division, bureau, board, commission, or other state agency;
16 and

17 (e) "Taxpayer identity" means the taxpayer's name, address,
18 telephone number, registration number, or any combination thereof, or
19 any other information disclosing the identity of the taxpayer.

20 (2) Returns and tax information shall be confidential and
21 privileged, and except as authorized by this section, neither the
22 department of revenue nor any officer, employee, agent, or
23 representative thereof nor any other person may disclose any return or
24 tax information.

25 (3) The foregoing, however, shall not prohibit the department of
26 revenue or an officer, employee, agent, or representative thereof from:

27 (a) Disclosing such return or tax information in a civil or
28 criminal judicial proceeding or an administrative proceeding:

29 (i) In respect of any tax imposed under the laws of this state if
30 the taxpayer or its officer or other person liable under Title 82 RCW
31 is a party in the proceeding; or

32 (ii) In which the taxpayer about whom such return or tax
33 information is sought and another state agency are adverse parties in
34 the proceeding;

35 (b) Disclosing, subject to such requirements and conditions as the
36 director shall prescribe by rules adopted pursuant to chapter 34.05
37 RCW, such return or tax information regarding a taxpayer to such
38 taxpayer or to such person or persons as that taxpayer may designate in
39 a request for, or consent to, such disclosure, or to any other person,

1 at the taxpayer's request, to the extent necessary to comply with a
2 request for information or assistance made by the taxpayer to such
3 other person: PROVIDED, That tax information not received from the
4 taxpayer shall not be so disclosed if the director determines that such
5 disclosure would compromise any investigation or litigation by any
6 federal, state, or local government agency in connection with the civil
7 or criminal liability of the taxpayer or another person, or that such
8 disclosure is contrary to any agreement entered into by the department
9 that provides for the reciprocal exchange of information with other
10 government agencies which agreement requires confidentiality with
11 respect to such information unless such information is required to be
12 disclosed to the taxpayer by the order of any court;

13 (c) Disclosing the name of a taxpayer with a deficiency greater
14 than five thousand dollars and against whom a (~~warrant under RCW~~
15 ~~82.32.210~~) lien has been either (~~issued or failed {filed}~~) filed or
16 recorded and remains outstanding for a period of at least ten working
17 days. The department shall not be required to disclose any information
18 under this subsection if a taxpayer: (i) Has been issued a tax
19 assessment; (ii) has been issued a (~~warrant~~) lien that has not been
20 filed or recorded; and (iii) has entered a deferred payment arrangement
21 with the department of revenue and is making payments upon such
22 deficiency that will fully satisfy the indebtedness within twelve
23 months;

24 (d) Disclosing the name of a taxpayer with a deficiency greater
25 than five thousand dollars (~~and~~) against whom a (~~warrant under RCW~~
26 ~~82.32.210~~) lien has been filed (~~with a court of record~~) or recorded
27 and remains outstanding;

28 (e) Publishing statistics so classified as to prevent the
29 identification of particular returns or reports or items thereof;

30 (f) Disclosing such return or tax information, for official
31 purposes only, to the governor or attorney general, or to any state
32 agency, or to any committee or subcommittee of the legislature dealing
33 with matters of taxation, revenue, trade, commerce, the control of
34 industry or the professions;

35 (g) Permitting the department of revenue's records to be audited
36 and examined by the proper state officer, his or her agents and
37 employees;

38 (h) Disclosing any such return or tax information to the proper
39 officer of the internal revenue service of the United States, the

1 Canadian government or provincial governments of Canada, or to the
2 proper officer of the tax department of any state or city or town or
3 county, for official purposes, but only if the statutes of the United
4 States, Canada or its provincial governments, or of such other state or
5 city or town or county, as the case may be, grants substantially
6 similar privileges to the proper officers of this state; or

7 (i) Disclosing any such return or tax information to the
8 Department of Justice, the Bureau of Alcohol, Tobacco and Firearms of
9 the Department of the Treasury, the Department of Defense, the United
10 States customs service, the coast guard of the United States, and the
11 United States department of transportation, or any authorized
12 representative thereof, for official purposes;

13 (j) Publishing or otherwise disclosing the text of a written
14 determination designated by the director as a precedent pursuant to RCW
15 82.32.410; or

16 (k) Disclosing, in a manner that is not associated with other tax
17 information, the taxpayer name, business address, mailing address,
18 revenue tax registration numbers, standard industrial classification
19 code of a taxpayer, and the dates of opening and closing of business.

20 (4) Any person acquiring knowledge of any return or tax
21 information in the course of his or her employment with the department
22 of revenue and any person acquiring knowledge of any return or tax
23 information as provided under subsection (3) (f), (g), (h), or (i) of
24 this section, who discloses any such return or tax information to
25 another person not entitled to knowledge of such return or tax
26 information under the provisions of this section, shall upon conviction
27 be punished by a fine not exceeding one thousand dollars and, if the
28 person guilty of such violation is an officer or employee of the state,
29 such person shall forfeit such office or employment and shall be
30 incapable of holding any public office or employment in this state for
31 a period of two years thereafter.

32 **Sec. 33.** RCW 82.32.340 and 1989 c 78 s 3 are each amended to read
33 as follows:

34 (1) Any tax or penalty which the department of revenue deems to be
35 uncollectible may be transferred from accounts receivable to a suspense
36 account and cease to be accounted an asset. Any item transferred shall
37 continue to be a debt due the state from the taxpayer and may at any
38 time within twelve years from the filing or recording of a ((warrant))

1 lien covering such amount with the clerk of the superior court be
2 transferred back to accounts receivable for the purpose of collection.
3 The department of revenue may charge off as finally uncollectible any
4 tax or penalty which it deems uncollectible at any time after twelve
5 years from the date that the last tax return for the delinquent
6 taxpayer was or should have been filed if the department of revenue is
7 satisfied that there are no cost-effective means of collecting the tax
8 or penalty.

9 After any tax or penalty has been charged off as finally
10 uncollectible under the provisions of this section, the department of
11 revenue may destroy any or all files and records pertaining to the
12 liability of any taxpayer for such tax or penalty.

13 The department of revenue, subject to the approval of the state
14 records committee, may at the expiration of five years after the close
15 of any taxable year, destroy any or all files and records pertaining to
16 the tax liability of any taxpayer for such taxable year, who has fully
17 paid all taxes, penalties and interest for such taxable year, or any
18 preceding taxable year for which such taxes, penalties and interest
19 have been fully paid. In the event that such files and records are
20 reproduced on film pursuant to RCW 40.20.020 for use in accordance with
21 RCW 40.20.030, the original files and records may be destroyed
22 immediately after reproduction and such reproductions may be destroyed
23 at the expiration of the above five-year period, subject to the
24 approval of the state records committee.

25 (2) Notwithstanding subsection (1) of this section, the department
26 may charge off any tax within its jurisdiction to collect that is owed
27 by a taxpayer, including any penalty or interest thereon, if the
28 department ascertains that the cost of collecting that tax would be
29 greater than the total amount which is owed or likely in the near
30 future to be owed by, and collectible from, the taxpayer.

31 **Sec. 34.** RCW 84.64.080 and 1991 c 245 s 27 are each amended to
32 read as follows:

33 The court shall examine each application for judgment foreclosing
34 tax lien, and if defense (specifying in writing the particular cause of
35 objection) be offered by any person interested in any of the lands or
36 lots to the entry of judgment against the same, the court shall hear
37 and determine the matter in a summary manner, without other pleadings,
38 and shall pronounce judgment as the right of the case may be; or the

1 court may, in its discretion, continue such individual cases, wherein
2 defense is offered, to such time as may be necessary, in order to
3 secure substantial justice to the contestants therein; but in all other
4 cases the court shall proceed to determine the matter in a summary
5 manner as above specified. In all judicial proceedings of any kind for
6 the collection of taxes, and interest and costs thereon, all amendments
7 which by law can be made in any personal action pending in such court
8 shall be allowed, and no assessments of property or charge for any of
9 the taxes shall be considered illegal on account of any irregularity in
10 the tax list or assessment rolls or on account of the assessment rolls
11 or tax list not having been made, completed or returned within the time
12 required by law, or on account of the property having been charged or
13 listed in the assessment or tax lists without name, or in any other
14 name than that of the owner, and no error or informality in the
15 proceedings of any of the officers connected with the assessment,
16 levying or collection of the taxes, shall vitiate or in any manner
17 affect the tax or the assessment thereof, and any irregularities or
18 informality in the assessment rolls or tax lists or in any of the
19 proceedings connected with the assessment or levy of such taxes or any
20 omission or defective act of any officer or officers connected with the
21 assessment or levying of such taxes, may be, in the discretion of the
22 court, corrected, supplied and made to conform to the law by the court.
23 The court shall give judgment for such taxes, interest and costs as
24 shall appear to be due upon the several lots or tracts described in the
25 notice of application for judgment or complaint, and such judgment
26 shall be a several judgment against each tract or lot or part of a
27 tract or lot for each kind of tax included therein, including all
28 interest and costs, and the court shall order and direct the clerk to
29 make and enter an order for the sale of such real property against
30 which judgment is made, or vacate and set aside the certificate of
31 delinquency or make such other order or judgment as in the law or
32 equity may be just. The order shall be signed by the judge of the
33 superior court, shall be delivered to the county treasurer, and shall
34 be full and sufficient authority for him or her to proceed to sell the
35 property for the sum as set forth in the order and to take such further
36 steps in the matter as are provided by law. The county treasurer shall
37 immediately after receiving the order and judgment of the court proceed
38 to sell the property as provided in this chapter to the highest and
39 best bidder for cash. The acceptable minimum bid shall be the total

1 amount of taxes, interest, penalties, and costs. All sales shall be
2 made at a location in the county on a date and time (except Saturdays,
3 Sundays, or legal holidays) as the county treasurer may direct, and
4 shall continue from day to day (Saturdays, Sundays, and legal holidays
5 excepted) during the same hours until all lots or tracts are sold,
6 after first giving notice of the time, and place where such sale is to
7 take place for ten days successively by posting notice thereof in three
8 public places in the county, one of which shall be in the office of the
9 treasurer. The notice shall be substantially in the following form:

10

TAX JUDGMENT SALE

11

Public notice is hereby given that pursuant to real property tax
12 judgment of the superior court of the county of in the
13 state of Washington, and an order of sale duly issued by the court,
14 entered the day of,, in proceedings for
15 foreclosure of tax liens upon real property, as per provisions of law,
16 I shall on the day of,, at o'clock
17 a.m., at in the city of, and county of
18, state of Washington, sell the real property to the highest
19 and best bidder for cash, to satisfy the full amount of taxes, interest
20 and costs adjudged to be due.

21

In witness whereof, I have hereunto affixed my hand and seal this
22 day of,

23

.
Treasurer of
county.

26

No county officer or employee shall directly or indirectly be a
27 purchaser of such property at such sale.

28

If any buildings or improvements are upon an area encompassing
29 more than one tract or lot, the same must be advertised and sold as a
30 single unit.

31

If the highest amount bid for any such separate unit tract or lot
32 is in excess of the minimum bid due upon the whole property included in
33 the certificate of delinquency, the excess shall be refunded
34 (~~following payment of all water and sewer district liens~~), on
35 application therefor, to the record owner of the property. The record
36 owner of the property is the person who held title on the date of
37 issuance of the certificate of delinquency.

1 In the event no claim for the excess is received by the county
2 treasurer within three years after the date of the sale he or she shall
3 at expiration of the three year period deposit such excess in the
4 current expense fund of the county. The county treasurer shall execute
5 to the purchaser of any piece or parcel of land a tax deed. The deed
6 so made by the county treasurer, under the official seal of his or her
7 office, shall be recorded in the same manner as other conveyances of
8 real property, and shall vest in the grantee, his or her heirs and
9 assigns the title to the property therein described, without further
10 acknowledgment or evidence of such conveyance, and shall be
11 substantially in the following form:

12 State of Washington
13 ss.
14 County of

15 This indenture, made this day of,,
16 between, as treasurer of county, state of
17 Washington, party of the first part, and, party of the
18 second part:

19 Witnesseth, that, whereas, at a public sale of real property held
20 on the day of,, pursuant to a real property
21 tax judgment entered in the superior court in the county of
22 on the day of,, in proceedings to foreclose
23 tax liens upon real property and an order of sale duly issued by the
24 court, duly purchased in compliance with the laws of the
25 state of Washington, the following described real property, to wit:
26 (Here place description of real property conveyed) and that the
27 has complied with the laws of the state of Washington
28 necessary to entitle (him, or her or them) to a deed for the real
29 property.

30 Now, therefore, know ye, that, I, county treasurer of
31 the county of, state of Washington, in consideration of the
32 premises and by virtue of the statutes of the state of Washington, in
33 such cases provided, do hereby grant and convey unto, his
34 or her heirs and assigns, forever, the real property hereinbefore
35 described.

36 Given under my hand and seal of office this day of
37, A.D.

County Treasurer.

Sec. 35. RCW 40.14.027 and 1994 c 193 s 2 are each amended to read as follows:

State agencies shall collect a surcharge of twenty dollars from the ((~~judgment~~)) debtor upon the satisfaction of a warrant filed in superior court or a notice of lien filed with a county auditor, for unpaid taxes or liabilities. The surcharge is imposed on the ((~~judgment~~)) debtor in the form of a penalty in addition to the filing fee provided in RCW 36.18.010 and 36.18.020(4). The surcharge revenue shall be transmitted to the state treasurer for deposit in the archives and records management account, or procedures for the collection and transmittal of surcharge revenue to the archives and records management account shall be established cooperatively between the filing agencies and clerks of superior court and county auditors.

Surcharge revenue deposited in the archives and records management account shall be expended by the secretary of state exclusively for the payment of costs and expenses incurred in the provision of public archives and records management services to local government agencies by the division of archives and records management. The secretary of state shall work with local government representatives to establish a committee to advise the state archivist on the local government archives and records management program. Surcharge revenue shall be allocated exclusively to:

(1) Appraise, process, store, preserve, and provide public research access to original records designated by the state archivist as archival which are no longer required to be kept by the agencies which originally made or filed them;

(2) Protect essential records, as provided by chapters 40.10 and 40.20 RCW. Permanent facsimiles of essential records shall be produced and placed in security storage with the state archivist;

(3) Coordinate records retention and disposition management and provide support for the following functions under RCW 40.14.070:

(a) Advise and assist individual agencies on public records management requirements and practices; and

(b) Compile, maintain, and regularly update general records retention schedules and destruction authorizations; and

(4) Develop and maintain standards for the application of

1 recording media and records storage technologies.

2 **Sec. 36.** RCW 49.52.040 and 1929 c 136 s 2 are each amended to
3 read as follows:

4 If any such employer shall default in any such payment to any
5 physician, surgeon, hospital, hospital association or any other parties
6 to whom any such payment is due, the sum so due may be collected by an
7 action at law in the name of the physician, surgeon, hospital, hospital
8 association or any other party to whom such payment is owing, or their
9 assigns and against such defaulting employer, and in addition to such
10 action, such claims shall have the same priority and lien rights as
11 granted to the state for claims due the accident and medical aid funds
12 (~~(by section 7682 of Remington's Compiled Statutes of Washington, 1922~~
13 ~~{RCW 51.16.150 through 51.16.170}, and acts amendatory thereto)~~) as
14 provided under RCW 51.16.150, 51.16.155, and 51.16.160 and chapter
15 60.-- RCW (sections 1 through 20 and 23 of this act), which priority
16 and lien rights shall be enforced in the same manner and under the same
17 conditions as provided in ((said section 7682 {RCW 51.16.150 through
18 51.16.170})) RCW 51.16.150, 51.16.155, and 51.16.160 and chapter 60.--
19 RCW (sections 1 through 20 and 23 of this act): PROVIDED, HOWEVER,
20 That the said claims for physicians, surgeons, hospitals and hospital
21 associations and others shall be secondary and inferior to any claims
22 of the state and to any claims for labor. Such right of action shall
23 be in addition to any other right of action or remedy.

24 **Sec. 37.** RCW 50.12.220 and 1987 c 111 s 2 are each amended to
25 read as follows:

26 (1) If an employer fails to file in a timely and complete manner
27 a report required by RCW 50.12.070 as now or hereafter amended or the
28 rules adopted pursuant thereto, the employer shall be subject to a
29 minimum penalty of ten dollars per violation.

30 (2) If contributions are not paid on the date on which they are
31 due and payable as prescribed by the commissioner, there shall be
32 assessed a penalty of five percent of the amount of the contributions
33 for the first month or part thereof of delinquency; there shall be
34 assessed a total penalty of ten percent of the amount of the
35 contributions for the second month or part thereof of delinquency; and
36 there shall be assessed a total penalty of twenty percent of the amount
37 of the contributions for the third month or part thereof of

1 delinquency. No penalty so added shall be less than ten dollars.
2 These penalties are in addition to the interest charges assessed under
3 (~~RCW 50.24.040~~) applicable statutes.

4 (3) Penalties shall not accrue on contributions from an estate in
5 the hands of a receiver, executor, administrator, trustee in
6 bankruptcy, common law assignee, or other liquidating officer
7 subsequent to the date when such receiver, executor, administrator,
8 trustee in bankruptcy, common law assignee, or other liquidating
9 officer qualifies as such, but contributions accruing with respect to
10 employment of persons by a receiver, executor, administrator, trustee
11 in bankruptcy, common law assignee, or other liquidating officer shall
12 become due and shall be subject to penalties in the same manner as
13 contributions due from other employers.

14 (4) Where adequate information has been furnished to the
15 department and the department has failed to act or has advised the
16 employer of no liability or inability to decide the issue, penalties
17 shall be waived by the commissioner. Penalties may also be waived for
18 good cause if the commissioner determines that the failure to timely
19 file reports or pay contributions was not due to the employer's fault.

20 (5) Any decision to assess a penalty as provided by this section
21 shall be made by the chief administrative officer of the tax branch or
22 his or her designee.

23 (6) Nothing in this section shall be construed to deny an employer
24 the right to appeal the assessment of any penalty. Such appeal shall
25 be made in the manner provided in RCW 50.32.030.

26 **Sec. 38.** RCW 50.44.060 and 1990 c 245 s 9 are each amended to
27 read as follows:

28 Benefits paid to employees of "nonprofit organizations" shall be
29 financed in accordance with the provisions of this section. For the
30 purpose of this section and RCW 50.44.070, the term "nonprofit
31 organization" is limited to those organizations described in RCW
32 50.44.010, and joint accounts composed exclusively of such
33 organizations.

34 (1) Any nonprofit organization which is, or becomes subject to
35 this title on or after January 1, 1972 shall pay contributions under
36 the provisions of RCW 50.24.010 and chapter 50.29 RCW, unless it
37 elects, in accordance with this subsection, to pay to the commissioner
38 for the unemployment compensation fund an amount equal to the full

1 amount of regular and additional benefits and one-half of the amount of
2 extended benefits paid to individuals for weeks of unemployment that
3 are based upon wages paid or payable during the effective period of
4 such election to the extent that such payments are attributable to
5 service in the employ of such nonprofit organization.

6 (a) Any nonprofit organization which becomes subject to this title
7 after January 1, 1972 may elect to become liable for payments in lieu
8 of contributions for a period of not less than twelve months beginning
9 with the date on which such subjectivity begins by filing a written
10 notice of its election with the commissioner not later than thirty days
11 immediately following the date of the determination of such
12 subjectivity.

13 (b) Any nonprofit organization which makes an election in
14 accordance with paragraph (a) of this subsection will continue to be
15 liable for payments in lieu of contributions until it files with the
16 commissioner a written notice terminating its election not later than
17 thirty days prior to the beginning of the taxable year for which such
18 termination shall first be effective.

19 (c) Any nonprofit organization which has been paying contributions
20 under this title for a period subsequent to January 1, 1972 may change
21 to a reimbursable basis by filing with the commissioner not later than
22 thirty days prior to the beginning of any taxable year a written notice
23 of election to become liable for payments in lieu of contributions.
24 Such election shall not be terminable by the organization for that and
25 the next year.

26 (d) The commissioner may for good cause extend the period within
27 which a notice of election, or a notice of termination, must be filed
28 and may permit an election to be retroactive but not any earlier than
29 with respect to benefits paid after December 31, 1969.

30 (e) The commissioner, in accordance with such regulations as the
31 commissioner may prescribe, shall notify each nonprofit organization of
32 any determination which the commissioner may make of its status as an
33 employer and of the effective date of any election which it makes and
34 of any termination of such election. Any nonprofit organization
35 subject to such determination and dissatisfied with such determination
36 may file a request for review and redetermination with the commissioner
37 within thirty days of the mailing of the determination to the
38 organization. Should such request for review and redetermination be
39 denied, the organization may, within ten days of the mailing of such

1 notice of denial, file with the appeal tribunal a petition for hearing
2 which shall be heard in the same manner as a petition for denial of
3 refund. The appellate procedure prescribed by this title for further
4 appeal shall apply to all denials of review and redetermination under
5 this paragraph.

6 (2) Payments in lieu of contributions shall be made in accordance
7 with the provisions of this section including either paragraph (a) or
8 (b) of this subsection.

9 (a) At the end of each calendar quarter, the commissioner shall
10 bill each nonprofit organization or group of such organizations which
11 has elected to make payments in lieu of contributions for an amount
12 equal to the full amount of regular and additional benefits plus one-
13 half of the amount of extended benefits paid during such quarter that
14 is attributable to service in the employ of such organization.

15 (b)(i) Each nonprofit organization that has elected payments in
16 lieu of contributions may request permission to make such payments as
17 provided in this paragraph. Such method of payment shall become
18 effective upon approval by the commissioner.

19 (ii) At the end of each calendar quarter, or at the end of such
20 other period as determined by the commissioner, the commissioner shall
21 bill each nonprofit organization for an amount representing one of the
22 following:

23 (A) The percentage of its total payroll for the immediately
24 preceding calendar year as the commissioner shall determine. Such
25 determination shall be based each year on the average benefit costs
26 attributable to service in the employ of nonprofit organizations during
27 the preceding calendar year.

28 (B) For any organization which did not pay wages throughout the
29 four calendar quarters of the preceding calendar year, such percentage
30 of its payroll during such year as the commissioner shall determine.

31 (iii) At the end of each taxable year, the commissioner may modify
32 the quarterly percentage of payroll thereafter payable by the nonprofit
33 organization in order to minimize excess or insufficient payments.

34 (iv) At the end of each taxable year, the commissioner shall
35 determine whether the total of payments for such year made by a
36 nonprofit organization is less than, or in excess of, the total amount
37 of regular and additional benefits plus one-half of the amount of
38 extended benefits paid to individuals during such taxable year based on
39 wages attributable to service in the employ of such organization. Each

1 nonprofit organization whose total payments for such year are less than
2 the amount so determined shall be liable for payment of the unpaid
3 balance to the fund in accordance with paragraph (c). If the total
4 payments exceed the amount so determined for the taxable year, all of
5 the excess payments will be retained in the fund as part of the
6 payments which may be required for the next taxable year, or a part of
7 the excess may, at the discretion of the commissioner, be refunded from
8 the fund or retained in the fund as part of the payments which may be
9 required for the next taxable year.

10 (c) Payment of any bill rendered under paragraph (a) or (b) shall
11 be made not later than thirty days after such bill was mailed to the
12 last known address of the nonprofit organization or was otherwise
13 delivered to it, and if not paid within such thirty days, the
14 reimbursement payments itemized in the bill shall be deemed to be
15 delinquent and the whole or part thereof remaining unpaid shall bear
16 interest and penalties from and after the end of such thirty days at
17 the rate and in the manner set forth in RCW 50.12.220 and ~~((50.24.040))~~
18 any other applicable statutes.

19 (d) Payments made by any nonprofit organization under the
20 provisions of this section shall not be deducted or deductible, in
21 whole or in part, from the remuneration of individuals in the employ of
22 the organization. Any deduction in violation of the provisions of this
23 paragraph shall be unlawful.

24 (3) Each employer that is liable for payments in lieu of
25 contributions shall pay to the commissioner for the fund the total
26 amount of regular and additional benefits plus the amount of one-half
27 of extended benefits paid that are attributable to service in the
28 employ of such employer. If benefits paid to an individual are based
29 on wages paid by more than one employer and one or more of such
30 employers are liable for payments in lieu of contributions, the amount
31 payable to the fund by each employer that is liable for such payments
32 shall be determined in accordance with the provisions of paragraphs (a)
33 and (b) of this subsection.

34 (a) If benefits paid to an individual are based on wages paid by
35 one or more employers that are liable for payments in lieu of
36 contributions and on wages paid by one or more employers who are liable
37 for contributions, the amount of benefits payable by each employer that
38 is liable for payments in lieu of contributions shall be an amount
39 which bears the same ratio to the total benefits paid to the individual

1 as the total base-period wages paid to the individual by such employer
2 bear to the total base-period wages paid to the individual by all of
3 his base-period employers.

4 (b) If benefits paid to an individual are based on wages paid by
5 two or more employers that are liable for payments in lieu of
6 contributions, the amount of benefits payable by each such employer
7 shall be an amount which bears the same ratio to the total benefits
8 paid to the individual as the total base-period wages paid to the
9 individual by such employer bear to the total base-period wages paid to
10 the individual by all of his base-period employers.

11 **Sec. 39.** RCW 82.32.265 and 1987 c 80 s 5 are each amended to read
12 as follows:

13 (1) The department may retain, by written contract, collection
14 agencies licensed under chapter 19.16 RCW or licensed under the laws of
15 another state or the District of Columbia for the purpose of collecting
16 from sources outside the state of Washington taxes including interest
17 and penalties thereon imposed under this title and RCW 84.33.041.

18 (2) Only accounts represented by (~~tax warrants~~) liens filed (~~in~~
19 ~~the superior court of a county in the state~~) or recorded as provided
20 by (~~RCW 82.32.210~~) chapter 60.-- RCW (sections 1 through 20 and 23 of
21 this act) may be assigned to a collection agency, and no such
22 assignment may be made unless the department has previously notified or
23 has attempted to notify the taxpayer of his or her right to petition
24 for correction of assessment within the time provided and in accordance
25 with the procedures set forth in chapter 82.32 RCW.

26 (3) Collection agencies assigned accounts for collection under
27 this section shall have only those remedies and powers that would be
28 available to them as assignees of private creditors. However, nothing
29 in this section limits the right to enforce the liability for taxes
30 lawfully imposed under the laws of this state in the courts of another
31 state or the District of Columbia as provided by the laws of such
32 jurisdictions and RCW 4.24.140 and 4.24.150.

33 (4) The account of the taxpayer shall be credited with the amounts
34 collected by a collection agency before reduction for reasonable
35 collection costs, including attorneys fees, that the department is
36 authorized to negotiate on a contingent fee or other basis.

37 **Sec. 40.** RCW 82.42.060 and 1969 ex.s. c 254 s 5 are each amended

1 to read as follows:

2 The amount of aircraft fuel excise tax imposed under RCW 82.42.020
3 for each month shall be paid to the director on or before the twenty-
4 fifth day of the month thereafter, and if not paid prior thereto, shall
5 become delinquent at the close of business on that day, and a penalty
6 of ten percent of such excise tax must be added thereto for
7 delinquency. Any aircraft fuel tax, penalties, and interest payable
8 under the provisions of this chapter shall bear interest at the rate of
9 one percent per month, or fraction thereof, from the first day of the
10 calendar month after the close of the monthly period for which the
11 amount or any portion thereof should have been paid until the date of
12 payment. The provisions of (~~RCW 82.36.110~~) chapter 60.-- RCW
13 (sections 1 through 20 and 23 of this act) relating to a lien for
14 taxes, interests or penalties due, shall be applicable to the
15 collection of the aircraft fuel excise tax provided in RCW 82.42.020,
16 and the provisions of RCW 82.36.120(~~(, 82.36.130)~~) and 82.36.140 shall
17 apply to any distributor of aircraft fuel with respect to the aircraft
18 fuel excise tax imposed under RCW 82.42.020.

19 NEW SECTION. **Sec. 41.** The following acts or parts of acts are
20 each repealed:

- 21 (1) RCW 46.87.340 and 1993 c 307 s 16 & 1987 c 244 s 47;
- 22 (2) RCW 46.87.360 and 1987 c 244 s 49;
- 23 (3) RCW 46.87.370 and 1987 c 244 s 50;
- 24 (4) RCW 50.24.040 and 1987 c 111 s 3, 1973 1st ex.s. c 158 s 8,
25 1953 ex.s. c 8 s 16, & 1945 c 35 s 92;
- 26 (5) RCW 50.24.050 and 1981 c 302 s 39, 1979 ex.s. c 190 s 2, 1973
27 1st ex.s. c 158 s 9, 1947 c 215 s 19, & 1945 c 35 s 95;
- 28 (6) RCW 50.24.080 and 1979 ex.s. c 190 s 4 & 1945 c 35 s 96;
- 29 (7) RCW 50.24.090 and 1979 ex.s. c 190 s 5 & 1945 c 35 s 97;
- 30 (8) RCW 50.24.100 and 1979 ex.s. c 190 s 6, 1949 c 214 s 20, &
31 1945 c 35 s 98;
- 32 (9) RCW 50.24.115 and 1983 1st ex.s. c 23 s 16, 1979 ex.s. c 190
33 s 8, & 1975 1st ex.s. c 228 s 15;
- 34 (10) RCW 51.16.170 and 1986 c 9 s 5 & 1961 c 23 s 51.16.170;
- 35 (11) RCW 51.16.180 and 1971 ex.s. c 289 s 79 & 1961 c 23 s
36 51.16.180;
- 37 (12) RCW 51.48.170 and 1986 c 9 s 14;
- 38 (13) RCW 51.48.180 and 1986 c 9 s 15;

- 1 (14) RCW 51.48.190 and 1986 c 9 s 16;
2 (15) RCW 51.48.200 and 1986 c 9 s 17;
3 (16) RCW 51.48.220 and 1986 c 9 s 21;
4 (17) RCW 51.48.230 and 1986 c 9 s 22;
5 (18) RCW 82.32.210 and 1987 c 405 s 15, 1983 1st ex.s. c 55 s 8,
6 1967 ex.s. c 89 s 3, & 1961 c 15 s 82.32.210;
7 (19) RCW 82.32.220 and 1983 1st ex.s. c 55 s 10, 1961 c 304 s 6,
8 & 1961 c 15 s 82.32.220;
9 (20) RCW 82.32.230 and 1983 1st ex.s. c 55 s 11, 1975 1st ex.s. c
10 278 s 84, & 1961 c 15 s 82.32.230;
11 (21) RCW 82.32.245 and 1985 c 414 s 3;
12 (22) RCW 82.36.047 and 1991 c 339 s 4;
13 (23) RCW 82.36.110 and 1993 c 54 s 3 & 1961 c 15 s 82.36.110;
14 (24) RCW 82.36.130 and 1961 c 15 s 82.36.130;
15 (25) RCW 82.37.090 and 1963 ex.s. c 22 s 9;
16 (26) RCW 82.38.210 and 1979 c 40 s 15 & 1971 ex.s. c 175 s 22;
17 (27) RCW 82.38.230 and 1979 c 40 s 17 & 1971 ex.s. c 175 s 24; and
18 (28) RCW 82.38.235 and 1979 c 40 s 22.

19 NEW SECTION. **Sec. 42.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 43.** Sections 1 through 20 and 23 of this act
24 shall constitute a new chapter in Title 60 RCW.

25 NEW SECTION. **Sec. 44.** This act shall take effect on January 2,
26 1996."

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