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**ENGROSSED SUBSTITUTE HOUSE BILL 1564**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Alexander, Fromhold, Mielke, Kessler and Buck)

READ FIRST TIME 02/26/03.

1       AN ACT Relating to clarifying county treasurer fiscal provisions;  
2 amending RCW 39.46.050, 84.56.120, 84.56.340, 84.64.060, 84.69.050,  
3 84.69.070, and 36.29.190; and reenacting and amending RCW 84.64.080.

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

5       **Sec. 1.** RCW 39.46.050 and 1983 c 167 s 5 are each amended to read  
6 as follows:

7       Each local government authorized to issue bonds is authorized to  
8 establish lines of credit with any qualified public depository to be  
9 drawn upon in exchange for its bonds or other obligations, to delegate  
10 to its (~~fiscal officer~~) treasurer authority to determine the amount  
11 of credit extended, and to pay interest and other finance or service  
12 charges. The interest rates on such bonds or other obligations may be  
13 a fixed rate or rates set periodically or a variable rate or rates  
14 determined by agreement of the parties.

15       **Sec. 2.** RCW 84.56.120 and 1991 c 245 s 20 are each amended to read  
16 as follows:

1 After personal property has been assessed, it shall be unlawful for  
2 any person to remove the (~~same~~) personal property subject to priority  
3 tax liens created pursuant to RCW 84.60.010 and 84.60.020 from the  
4 county in which the property was assessed and from the state until  
5 taxes and interest are paid, or until notice has been given to the  
6 county treasurer describing the property to be removed and in case of  
7 public or private sales of personal property, a list of the property  
8 desired to be sold shall be sent to the treasurer, (~~and no property~~  
9 ~~shall be sold at such sale until the tax has been paid,~~) the tax  
10 (~~to~~) will be computed upon the consolidated tax levy for the previous  
11 year. Any taxes owed shall become an automatic lien upon the proceeds  
12 of any auction and shall be remitted to the county treasurer before  
13 final distribution to any person, as defined in this section. If  
14 proceeds are distributed in violation of this section, the seller or  
15 agent of the seller shall assume all liability for taxes, interest, and  
16 penalties owed to the county treasurer. Any person violating the  
17 provisions of this section shall be guilty of a misdemeanor. For the  
18 purposes of this section, "person" includes a property owner,  
19 mortgagor, creditor, or agent.

20 **Sec. 3.** RCW 84.56.340 and 1997 c 393 s 16 are each amended to read  
21 as follows:

22 Any person desiring to pay taxes upon any part or parts of real  
23 property heretofore or hereafter assessed as one parcel, or tract, or  
24 upon such person's undivided fractional interest in such a property,  
25 may do so by applying to the county assessor, who must carefully  
26 investigate and ascertain the relative or proportionate value said part  
27 or part interest bears to the whole tract assessed, on which basis the  
28 assessment must be divided, and the assessor shall forthwith certify  
29 such proportionate value to the county treasurer: PROVIDED, That  
30 excepting when property is being acquired for public use, or where a  
31 person or financial institution desires to pay the taxes and any  
32 penalties and interest on a mobile home upon which they have a lien by  
33 mortgage or otherwise, no segregation of property for tax purposes  
34 shall be made under this section unless all current year and delinquent  
35 taxes and assessments on the entire tract have been paid in full. The  
36 county treasurer, upon receipt of certification, shall duly accept  
37 payment and issue receipt on the apportionment certified by the county

1 assessor. In cases where protest is filed to said division appeal  
2 shall be made to the county legislative authority at its next regular  
3 session for final division, and the county treasurer shall accept and  
4 receipt for said taxes as determined and ordered by the county  
5 legislative authority. Any person desiring to pay on an undivided  
6 interest in any real property may do so by paying to the county  
7 treasurer a sum equal to such proportion of the entire taxes charged on  
8 the entire tract as interest paid on bears to the whole.

9 **Sec. 4.** RCW 84.64.060 and 2002 c 168 s 9 are each amended to read  
10 as follows:

11 Any person owning ((an)) a recorded interest in lands or lots upon  
12 which judgment is prayed, as provided in this chapter, may in person or  
13 by agent pay the taxes, interest and costs due thereon to the county  
14 treasurer of the county in which the same are situated, at any time  
15 before the day of the sale; and for the amount so paid he or she shall  
16 have a lien on the property liable for taxes, interest and costs for  
17 which judgment is prayed; and the person or authority who shall collect  
18 or receive the same shall give a receipt for such payment, or issue to  
19 such person a certificate showing such payment. If paying by agent,  
20 the agent shall provide notarized documentation of the agency  
21 relationship.

22 **Sec. 5.** RCW 84.64.080 and 1999 c 153 s 72 and 1999 c 18 s 8 are  
23 each reenacted and amended to read as follows:

24 The court shall examine each application for judgment foreclosing  
25 tax lien, and if defense (specifying in writing the particular cause of  
26 objection) be offered by any person interested in any of the lands or  
27 lots to the entry of judgment against the same, the court shall hear  
28 and determine the matter in a summary manner, without other pleadings,  
29 and shall pronounce judgment as the right of the case may be; or the  
30 court may, in its discretion, continue such individual cases, wherein  
31 defense is offered, to such time as may be necessary, in order to  
32 secure substantial justice to the contestants therein; but in all other  
33 cases the court shall proceed to determine the matter in a summary  
34 manner as above specified. In all judicial proceedings of any kind for  
35 the collection of taxes, and interest and costs thereon, all amendments  
36 which by law can be made in any personal action pending in such court

1 shall be allowed, and no assessments of property or charge for any of  
2 the taxes shall be considered illegal on account of any irregularity in  
3 the tax list or assessment rolls or on account of the assessment rolls  
4 or tax list not having been made, completed or returned within the time  
5 required by law, or on account of the property having been charged or  
6 listed in the assessment or tax lists without name, or in any other  
7 name than that of the owner, and no error or informality in the  
8 proceedings of any of the officers connected with the assessment,  
9 levying or collection of the taxes, shall vitiate or in any manner  
10 affect the tax or the assessment thereof, and any irregularities or  
11 informality in the assessment rolls or tax lists or in any of the  
12 proceedings connected with the assessment or levy of such taxes or any  
13 omission or defective act of any officer or officers connected with the  
14 assessment or levying of such taxes, may be, in the discretion of the  
15 court, corrected, supplied and made to conform to the law by the court.  
16 The court shall give judgment for such taxes, interest and costs as  
17 shall appear to be due upon the several lots or tracts described in the  
18 notice of application for judgment or complaint, and such judgment  
19 shall be a several judgment against each tract or lot or part of a  
20 tract or lot for each kind of tax included therein, including all  
21 interest and costs, and the court shall order and direct the clerk to  
22 make and enter an order for the sale of such real property against  
23 which judgment is made, or vacate and set aside the certificate of  
24 delinquency or make such other order or judgment as in the law or  
25 equity may be just. The order shall be signed by the judge of the  
26 superior court, shall be delivered to the county treasurer, and shall  
27 be full and sufficient authority for him or her to proceed to sell the  
28 property for the sum as set forth in the order and to take such further  
29 steps in the matter as are provided by law. The county treasurer shall  
30 immediately after receiving the order and judgment of the court proceed  
31 to sell the property as provided in this chapter to the highest and  
32 best bidder for cash. The acceptable minimum bid shall be the total  
33 amount of taxes, interest, and costs. All sales shall be made at a  
34 location in the county on a date and time (except Saturdays, Sundays,  
35 or legal holidays) as the county treasurer may direct, and shall  
36 continue from day to day (Saturdays, Sundays, and legal holidays  
37 excepted) during the same hours until all lots or tracts are sold,  
38 after first giving notice of the time, and place where such sale is to

1 take place for ten days successively by posting notice thereof in three  
2 public places in the county, one of which shall be in the office of the  
3 treasurer. The notice shall be substantially in the following form:

4 TAX JUDGMENT SALE

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

15 In witness whereof, I have hereunto affixed my hand and seal this  
16 . . . . day of . . . . ., . . . . .

17 . . . . .  
18 Treasurer of . . . . .  
19 county.

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

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

25 If the highest amount bid for any such separate unit tract or lot  
26 is in excess of the minimum bid due upon the whole property included in  
27 the certificate of delinquency, the excess shall be refunded following  
28 payment of all water-sewer district liens, on application therefor, to  
29 the record owner of the property. The record owner of the property is  
30 the person who held title on the date of issuance of the certificate of  
31 delinquency. Assignments of interests, deeds, or other documents  
32 executed or recorded after filing the certificate of delinquency shall  
33 not affect the payment of excess funds to the record owner. In the  
34 event no claim for the excess is received by the county treasurer  
35 within three years after the date of the sale he or she shall at  
36 expiration of the three year period deposit such excess in the current  
37 expense fund of the county. The county treasurer shall execute to the

1 purchaser of any piece or parcel of land a tax deed. The deed so made  
2 by the county treasurer, under the official seal of his or her office,  
3 shall be recorded in the same manner as other conveyances of real  
4 property, and shall vest in the grantee, his or her heirs and assigns  
5 the title to the property therein described, without further  
6 acknowledgment or evidence of such conveyance, and shall be  
7 substantially in the following form:

8 State of Washington }  
9 } ss.  
10 County of .....

11 This indenture, made this . . . . day of . . . . ., . . . . .,  
12 between . . . . ., as treasurer of . . . . . county, state of  
13 Washington, party of the first part, and . . . . ., party of the  
14 second part:

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

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

32 Given under my hand and seal of office this . . . . day of  
33 . . . . ., A.D. . . . .  
34 . . . . .  
35 County Treasurer.

1       **Sec. 6.** RCW 84.69.050 and 1988 c 222 s 31 are each amended to read  
2 as follows:

3       The part of the refund representing amounts paid to the state,  
4 including interest as provided in RCW 84.69.100, shall be paid from the  
5 county general fund and the department of revenue shall, upon the next  
6 succeeding settlement with the county, certify this amount refunded to  
7 the county: PROVIDED, That when a refund of tax funds pursuant to  
8 state levies is required, the department of revenue shall authorize  
9 adjustment procedures whereby counties may deduct from property tax  
10 remittances to the state the amount required to cover the state's  
11 portion of the refunds.

12       **Sec. 7.** RCW 84.69.070 and 1991 c 245 s 38 are each amended to read  
13 as follows:

14       Refunds ordered with respect to taxing districts, including  
15 interest as provided in RCW 84.69.100, shall be paid by checks drawn by  
16 the county treasurer upon such available funds, if any, as the taxing  
17 districts may have on deposit in the county treasury, or in the event  
18 such funds are insufficient, then out of funds subsequently accruing to  
19 such taxing district and on deposit in the county treasury. When such  
20 refunds are made as a result of taxes paid under levies or statutes  
21 adjudicated to be illegal or unconstitutional all administrative costs  
22 including interest paid on the refunds incurred by the county treasurer  
23 in making such refunds shall be a charge against the funds of such  
24 districts and/or the state on a pro rata basis until the county current  
25 expense fund is fully reimbursed for the administrative expenses  
26 incurred in making such refund: PROVIDED, That whenever orders for  
27 refunds of ad valorem taxes promulgated by the county treasurer or  
28 county legislative authority and unpaid checks shall expire and become  
29 void as provided in RCW 84.69.110, then any moneys remaining in a  
30 refund account established by the county treasurer for any taxing  
31 district may be transferred by the county treasurer from such refund  
32 account to the county current expense fund to reimburse the county for  
33 the administrative expense incurred in making refunds as prescribed  
34 herein. Any excess then remaining in the taxing district refund  
35 account may then be transferred by the county treasurer to the current  
36 expense fund of the taxing district for which the tax was originally  
37 levied and collected.

1       **Sec. 8.** RCW 36.29.190 and 1997 c 393 s 19 are each amended to read  
2 as follows:

3       County treasurers are authorized to accept credit cards, charge  
4 cards, debit cards, smart cards, stored value cards, federal wire, and  
5 automatic clearinghouse system transactions, or other electronic  
6 communication, for any payment of any kind including, but not limited  
7 to, taxes, fines, interest, penalties, special assessments, fees,  
8 rates, charges, or moneys due counties. A payer desiring to pay by a  
9 credit card, charge card, debit card, smart card, stored value card,  
10 federal wire, automatic clearinghouse system, or other electronic  
11 communication shall bear the cost of processing the transaction in an  
12 amount determined by the treasurer, unless the county legislative  
13 authority or the legislative authority of a district where the county  
14 treasurer serves as ex officio treasurer finds that it is in the best  
15 interests of the county or district to not charge transaction  
16 processing costs for all payment transactions made for a specific  
17 category of nontax payments (~~(due)~~) received by the county treasurer,  
18 including, but not limited to, fines, interest not associated with  
19 taxes, penalties not associated with taxes, special assessments, fees,  
20 rates, and charges. The treasurer's cost determination shall be based  
21 upon costs incurred by the treasurer and may not, in any event, exceed  
22 the additional direct costs incurred by the county to accept the  
23 specific form of payment utilized by the payer.

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