
SUBSTITUTE HOUSE BILL 1564

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, and
3 84.69.070; 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:

17 After personal property has been assessed, it shall be unlawful for
18 any person to remove the ((same)) personal property subject to priority

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

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

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

1 session for final division, and the county treasurer shall accept and
2 receipt for said taxes as determined and ordered by the county
3 legislative authority. Any person desiring to pay on an undivided
4 interest in any real property may do so by paying to the county
5 treasurer a sum equal to such proportion of the entire taxes charged on
6 the entire tract as interest paid on bears to the whole.

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

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

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

22 The court shall examine each application for judgment foreclosing
23 tax lien, and if defense (specifying in writing the particular cause of
24 objection) be offered by any person interested in any of the lands or
25 lots to the entry of judgment against the same, the court shall hear
26 and determine the matter in a summary manner, without other pleadings,
27 and shall pronounce judgment as the right of the case may be; or the
28 court may, in its discretion, continue such individual cases, wherein
29 defense is offered, to such time as may be necessary, in order to
30 secure substantial justice to the contestants therein; but in all other
31 cases the court shall proceed to determine the matter in a summary
32 manner as above specified. In all judicial proceedings of any kind for
33 the collection of taxes, and interest and costs thereon, all amendments
34 which by law can be made in any personal action pending in such court
35 shall be allowed, and no assessments of property or charge for any of
36 the taxes shall be considered illegal on account of any irregularity in

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

1 public places in the county, one of which shall be in the office of the
2 treasurer. The notice shall be substantially in the following form:

3 TAX JUDGMENT SALE

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

14 In witness whereof, I have hereunto affixed my hand and seal this
15 day of,
16
17 Treasurer of
18 county.

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

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

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

1 by the county treasurer, under the official seal of his or her office,
2 shall be recorded in the same manner as other conveyances of real
3 property, and shall vest in the grantee, his or her heirs and assigns
4 the title to the property therein described, without further
5 acknowledgment or evidence of such conveyance, and shall be
6 substantially in the following form:

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

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

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

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

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

1 expense fund of the taxing district for which the tax was originally
2 levied and collected.

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