

SHB 1004 - H AMD 280

By Representative Dahlquist

NOT ADOPTED 03/13/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that it is difficult
4 for many property owners to pay property taxes under the current system
5 in which past due property tax payments must be paid in full, including
6 penalties and interest. The legislature further finds that providing
7 counties and property owners some flexibility in structuring past due
8 property tax payments may result in a more stable source of revenues
9 for local governments and provide some relief for property owners.

10 **Sec. 2.** RCW 84.56.020 and 2010 c 200 s 1 are each amended to read
11 as follows:

12 (1) The county treasurer must be the receiver and collector of all
13 taxes extended upon the tax rolls of the county, whether levied for
14 state, county, school, bridge, road, municipal or other purposes, and
15 also of all fines, forfeitures or penalties received by any person or
16 officer for the use of his or her county. No treasurer may accept tax
17 payments or issue receipts for the same until the treasurer has
18 completed the tax roll for the current year's collection and provided
19 notification of the completion of the roll. Notification may be
20 accomplished electronically, by posting a notice in the office, or
21 through other written communication as determined by the treasurer.
22 All taxes upon real and personal property made payable by the
23 provisions of this title are due and payable to the treasurer on or
24 before the thirtieth day of April and, except as provided in this
25 section, (~~shall be~~) are delinquent after that date.

26 (2) Each tax statement must include a notice that checks for
27 payment of taxes may be made payable to "Treasurer of
28 County" or other appropriate office, but tax statements may not include

1 any suggestion that checks may be made payable to the name of the
2 individual holding the office of treasurer nor any other individual.

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

9 (4) When the total amount of tax or special assessments on any lot,
10 block or tract of real property or on any mobile home payable by one
11 person is fifty dollars or more, and if one-half of such tax be paid
12 after the thirtieth day of April but before the thirty-first day of
13 October, together with the applicable interest and penalty on the full
14 amount of tax payable for that year, the remainder of such tax is due
15 and payable on or before the thirty-first day of October following and
16 is delinquent after that date.

17 (5) Delinquent taxes under this section are subject to interest at
18 the rate of twelve percent per annum computed on a monthly basis on the
19 full year amount of tax unpaid from the date of delinquency until paid.
20 Interest must be calculated at the rate in effect at the time of
21 payment of the tax, regardless of when the taxes were first delinquent.
22 In addition, delinquent taxes under this section are subject to
23 penalties as follows:

24 (a) A penalty of three percent of the full year amount of tax
25 unpaid is assessed on the tax delinquent on June 1st of the year in
26 which the tax is due.

27 (b) An additional penalty of eight percent is assessed on the
28 amount of tax delinquent on December 1st of the year in which the tax
29 is due.

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

36 (7) During a state of emergency declared under RCW 43.06.010(12),
37 the county treasurer, on his or her own motion or at the request of any

1 taxpayer affected by the emergency, may grant extensions of the due
2 date of any taxes payable under this section as the treasurer deems
3 proper.

4 (8)(a) In accordance with the requirements and conditions of this
5 subsection (8), the county treasurer of a county with a population of
6 eight hundred thousand or more must establish an installment payment
7 program for taxpayers delinquent on taxes due and payable in any year
8 prior to the calendar year in which an application to participate in
9 the program is submitted. The county treasurer from any other county
10 may also establish a similar installment program, but is not required
11 to do so. In a county with a population of eight hundred thousand or
12 more, the installment payment program must be implemented by calendar
13 year 2014, but may be implemented earlier.

14 (b) A taxpayer must submit an application to the county treasurer
15 in a form and manner required by the county treasurer. The application
16 must specify the timing of payments and payment amounts. A county
17 treasurer may establish a reasonable minimum payment threshold, a
18 reasonable maximum time period in which a taxpayer must become current
19 on delinquent taxes, penalties, and interest, and any other reasonable
20 requirements for an installment payment program under this subsection.

21 (c) To initially qualify and to remain in the program, a taxpayer
22 may not be delinquent on taxes due and payable in the calendar year in
23 which the application is submitted nor become delinquent on any taxes
24 due and payable in subsequent calendar years.

25 (d) The county treasurer may not assess interest and penalties on
26 delinquent property taxes that are included within the installment
27 payment program beginning on the first day of the month in which the
28 taxpayer is first admitted into the program. Interest and penalties
29 that have been assessed prior to this date remain due and payable as
30 provided in the payment program. A taxpayer is disqualified
31 immediately from the program if the taxpayer does not make payments in
32 accordance with the program on more than two occasions. If a taxpayer
33 is disqualified from the program for any reason, all penalties and
34 interest that would have otherwise been assessed become immediately due
35 and payable.

36 (e) The department, collaborating with any county treasurer
37 participating in the installment payment program under this subsection,
38 must prepare a report to the legislature consistent with RCW 43.01.036.

1 The report must summarize the effectiveness of the pilot program in
2 increasing payments on past due taxes and include information on the
3 number of applicants, the number of active participants, the number of
4 participants who have paid off all past due taxes, and the total amount
5 of revenue collected under the pilot program. The report may include
6 any recommendations to the legislature to improve the effectiveness of
7 the pilot program. The report is due on the first December 1st
8 occurring after the pilot program has been operating for at least
9 twenty-four months.

10 (9) For purposes of this chapter, "interest" means both interest
11 and penalties.

12 ((+9)) (10) All collections of interest on delinquent taxes must
13 be credited to the county current expense fund; but the cost of
14 foreclosure and sale of real property, and the fees and costs of
15 distraint and sale of personal property, for delinquent taxes, must,
16 when collected, be credited to the operation and maintenance fund of
17 the county treasurer prosecuting the foreclosure or distraint or sale;
18 and must be used by the county treasurer as a revolving fund to defray
19 the cost of further foreclosure, distraint and sale for delinquent
20 taxes without regard to budget limitations.

21 ((+10)) (11)(a) For purposes of this chapter, and in accordance
22 with this section and RCW 36.29.190, the treasurer may collect taxes,
23 assessments, fees, rates, penalties, interest, and charges by
24 electronic bill presentment and payment. Electronic bill presentment
25 and payment may be utilized as an option by the taxpayer, but the
26 treasurer may not require the use of electronic bill presentment and
27 payment. Electronic bill presentment and payment may be on a monthly
28 or other periodic basis as the treasurer deems proper for past due
29 payments or prepayments. All prepayments must be paid in full by the
30 due date specified in (c) of this subsection.

31 (b) The treasurer must provide, by electronic means, a payment
32 agreement that may include past due payment or prepayment collection
33 charges. The payment agreement must be signed by the taxpayer and
34 treasurer prior to the sending of an electronic bill.

35 (c) All taxes upon real and personal property made payable by the
36 provisions of this title are due and payable to the treasurer on or
37 before the thirtieth day of April and are delinquent after that date.
38 The remainder of the tax is due and payable on or before the thirty-

1 first day of October following and is delinquent after that date. All
2 other assessments, fees, rates, and charges are delinquent after the
3 due date.

4 (d) A county legislative authority may authorize payment of past
5 due property taxes, penalties, and interest under this chapter by
6 electronic funds transfer payments on a monthly basis. Monthly
7 payments must first be applied to penalties and interest.

8 (e) The treasurer must pay any collection costs, investment
9 earnings, or both on prepayments to the credit of a county treasurer
10 service fund account to be created and used only for the payment of
11 expenses incurred by the treasurer, without limitation, in
12 administering the system for collecting prepayments.

13 ((+11)) (12) For purposes of this section, the following
14 definitions apply:

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

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

20 Correct the title.

EFFECT: Establishes a pilot program in King and Pierce counties
authorizing an electronic installment payment program for taxpayers
with delinquent property taxes. The county treasurer may set up terms
for installment payments, and participants in the payment program would
not accrue additional penalties and interest. The department of
revenue and county treasurers participating in the program must report
back to the legislature on the effectiveness of the program.

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