

SSB 5705 - H AMD 454

By Representative Carlyle

ADOPTED 04/18/2013

1 On page 2, after line 3, insert the following:

2 "NEW SECTION. **Sec. 2.** The legislature finds that it is difficult  
3 for many property owners to pay property taxes under the current system  
4 where past due property tax payments must be paid in full, including  
5 penalties and interest. The legislature further finds that providing  
6 counties and property owners some flexibility in structuring past due  
7 property tax payments may provide some relief for property owners with  
8 delinquent tax payments.

9 **Sec. 3.** RCW 84.56.020 and 2010 c 200 s 1 are each amended to read  
10 as follows:

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

25 (2) Each tax statement must include a notice that checks for  
26 payment of taxes may be made payable to "Treasurer of . . . . .  
27 County" or other appropriate office, but tax statements may not include  
28 any suggestion that checks may be made payable to the name of the  
29 individual holding the office of treasurer nor any other individual.

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

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

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

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

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

29 (c) If a taxpayer is successfully participating in a payment  
30 agreement under subsection (11)(b) of this section, the county  
31 treasurer may not assess additional penalties on delinquent taxes that  
32 are included within the payment agreement. Interest and penalties that  
33 have been assessed prior to the payment agreement remain due and  
34 payable as provided in the payment agreement.

35 (6)(a) When real property taxes become delinquent and prior to the  
36 filing of the certificate of delinquency, the treasurer is authorized  
37 to assess and collect tax foreclosure avoidance costs.

1       (b) For the purposes of this section, "tax foreclosure avoidance  
2 costs" means those costs that can be identified specifically with the  
3 administration of properties subject to and prior to foreclosure. Tax  
4 foreclosure avoidance costs include:

5       (i) Compensation of employees for the time devoted and identified  
6 specifically to administering the avoidance of property foreclosure;  
7 and

8       (ii) The cost of materials, services, or equipment acquired,  
9 consumed, or expended specifically for the purpose of administering tax  
10 foreclosure avoidance prior to the filing of a certificate of  
11 delinquency.

12       (c) When tax foreclosure avoidance costs are collected, the tax  
13 foreclosure avoidance costs must be credited to the county treasurer  
14 service fund account, except as otherwise directed.

15       (d) For purposes of chapter 84.64 RCW, any taxes, interest, or  
16 penalties deemed delinquent under this section remain delinquent until  
17 such time as all taxes, interest, and penalties for the tax year in  
18 which the taxes were first due and payable have been paid in full.

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

25       ~~((+7))~~ (8) During a state of emergency declared under RCW  
26 43.06.010(12), the county treasurer, on his or her own motion or at the  
27 request of any taxpayer affected by the emergency, may grant extensions  
28 of the due date of any taxes payable under this section as the  
29 treasurer deems proper.

30       ~~((+8))~~ (9) For purposes of this chapter, "interest" means both  
31 interest and penalties.

32       ~~((+9))~~ (10) All collections of interest on delinquent taxes must  
33 be credited to the county current expense fund; but the cost of  
34 foreclosure and sale of real property, and the fees and costs of  
35 distrainment and sale of personal property, for delinquent taxes, must,  
36 when collected, be credited to the operation and maintenance fund of  
37 the county treasurer prosecuting the foreclosure or distrainment or sale;

1 and must be used by the county treasurer as a revolving fund to defray  
2 the cost of further foreclosure, distraint and sale for delinquent  
3 taxes without regard to budget limitations.

4 ~~((+10))~~ (11)(a) For purposes of this chapter, and in accordance  
5 with this section and RCW 36.29.190, the treasurer may collect taxes,  
6 assessments, fees, rates, interest, and charges by electronic bill  
7 presentment and payment. Electronic bill presentment and payment may  
8 be utilized as an option by the taxpayer, but the treasurer may not  
9 require the use of electronic bill presentment and payment. Electronic  
10 bill presentment and payment may be on a monthly or other periodic  
11 basis as the treasurer deems proper for ~~((prepayments))~~ delinquent tax  
12 year payments only or for prepayments of current tax. All prepayments  
13 must be paid in full by the due date specified in (c) of this  
14 subsection. Payments on past due taxes must include collection of the  
15 oldest delinquent year, which includes interest and taxes within a  
16 twelve-month period, prior to filing a certificate of delinquency under  
17 chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

18 (b) The treasurer must provide, by electronic means or otherwise,  
19 a payment agreement that ~~((may include prepayment collection charges.~~  
20 ~~The payment agreement must be signed by the taxpayer and treasurer~~  
21 ~~prior to the sending of an electronic bill))~~ provides for payment of  
22 current year taxes, inclusive of prepayment collection charges. The  
23 treasurer may provide, by electronic means or otherwise, a payment  
24 agreement for payment of past due delinquencies, which must also  
25 require current year taxes to be paid timely. The payment agreement  
26 must be signed by the taxpayer and treasurer prior to the sending of an  
27 electronic or alternative bill, which includes a payment plan for  
28 current year taxes.

29 (c) All taxes upon real and personal property made payable by the  
30 provisions of this title are due and payable to the treasurer on or  
31 before the thirtieth day of April and are delinquent after that date.  
32 The remainder of the tax is due and payable on or before the thirty-  
33 first day of October following and is delinquent after that date. All  
34 other assessments, fees, rates, and charges are delinquent after the  
35 due date.

36 (d) A county treasurer may authorize payment of past due property  
37 taxes, penalties, and interest under this chapter by electronic funds

1 transfer payments on a monthly basis. Monthly payments must first be  
2 applied to penalties and interest. Delinquent taxes are subject to  
3 interest and penalties, as provided in subsection (5) of this section.

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

9 ((+11)) (12) For purposes of this section unless the context  
10 clearly requires otherwise, the following definitions apply:

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

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

16 **Sec. 4.** RCW 84.56.070 and 2009 c 350 s 2 are each amended to read  
17 as follows:

18 (1) The county treasurer ((shall)) must proceed to collect all  
19 personal property taxes after first completing the tax roll for the  
20 current year's collection.

21 (2) The treasurer ((shall)) must give notice by mail to all persons  
22 charged with personal property taxes, and if such taxes are not paid  
23 before they become delinquent, the treasurer ((shall forthwith proceed  
24 to collect the same)) must commence delinquent collection efforts. A  
25 delinquent collection charge for costs incurred by the treasurer must  
26 be added to the account.

27 (3) In the event that ((he or she)) the treasurer is unable to  
28 collect the ((same)) taxes when due under this section, the treasurer  
29 ((shall)) must prepare papers in distraint, which ((shall)) must  
30 contain a description of the personal property, the amount of taxes,  
31 the amount of the accrued interest at the rate provided by law from the  
32 date of delinquency, and the name of the owner or reputed owner.

33 (a) The treasurer ((shall)) must without demand or notice distraint  
34 sufficient goods and chattels belonging to the person charged with such  
35 taxes to pay the same, with interest at the rate provided by law from  
36 the date of delinquency, together with all accruing costs, and  
37 ((shall)) must proceed to advertise the same by posting written notices

1 in three public places in the county in which such property has been  
2 distrained, one of which places (~~shall~~) must be at the county  
3 courthouse, such notice to state the time when and place where such  
4 property will be sold.

5 (b) The county treasurer, or the treasurer's deputy, (~~shall~~) must  
6 tax the same fees for making the distraint and sale of goods and  
7 chattels for the payment of taxes as are allowed by law to sheriffs for  
8 making levy and sale of property on execution; traveling fees to be  
9 computed from the county seat of the county to the place of making  
10 distraint.

11 (c) If the taxes for which such property is distrained, and the  
12 interest and costs accruing thereon, are not paid before the date  
13 appointed for such sale, which (~~shall be~~) may not be less than ten  
14 days after the taking of such property, such treasurer or treasurer's  
15 designee (~~shall~~) must proceed to sell such property at public  
16 auction, or so much thereof as (~~shall be~~) is sufficient to pay such  
17 taxes, with interest and costs, and if there be any excess of money  
18 arising from the sale of any personal property, the treasurer (~~shall~~)  
19 must pay such excess less any cost of the auction to the owner of the  
20 property so sold or to his or her legal representative(~~(:—PROVIDED,~~  
21 ~~That whenever it shall become))~~).

22 (d) If necessary to distrain any standing timber owned separately  
23 from the ownership of the land upon which the same may stand, or any  
24 fish trap, pound net, reef net, set net, or drag seine fishing  
25 location, or any other personal property as the treasurer (~~shall~~)  
26 determines to be incapable or reasonably impracticable of manual  
27 delivery, it (~~shall be~~) is deemed to have been distrained and taken  
28 into possession when the treasurer (~~shall have~~) has, at least thirty  
29 days before the date fixed for the sale thereof, filed with the auditor  
30 of the county wherein such property is located a notice in writing  
31 reciting that the treasurer has distrained such property, describing  
32 it, giving the name of the owner or reputed owner, the amount of the  
33 tax due, with interest, and the time and place of sale(~~(:)~~). A copy of  
34 the notice (~~shall~~) must also be sent to the owner or reputed owner at  
35 his or her last known address, by registered letter at least thirty  
36 days prior to the date of sale(~~(:—AND PROVIDED FURTHER, That))~~).

37 (e) If the county treasurer has reasonable grounds to believe that  
38 any personal property, including mobile homes, manufactured homes, or

1 park model trailers, upon which taxes have been levied, but not paid,  
2 is about to be removed from the county where the same has been  
3 assessed, or is about to be destroyed, sold, or disposed of, the county  
4 treasurer may demand such taxes, without the notice provided for in  
5 this section, and if necessary may (~~forthwith~~) distrain sufficient  
6 goods and chattels to pay the same."

7 Correct the title.

EFFECT: Authorizes county treasurers to accept payments on past due property taxes, penalties, and interest by electronic funds transfer on a monthly basis. Authorizes county treasurers to assess and collect tax foreclosure avoidance costs and delinquent collection charges on past due real and personal property taxes.

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