

SSB 5705 - H AMD 484

By Representative Carlyle

ADOPTED 04/25/2013

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. Delinquent taxes are subject to
2 interest and penalties, as provided in subsection (5) of this section.

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

8 ((+11)) (12) For purposes of this section unless the context
9 clearly requires otherwise, the following definitions apply:

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

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

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

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

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

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

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

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

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

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

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

36 (e) If the county treasurer has reasonable grounds to believe that
37 any personal property, including mobile homes, manufactured homes, or
38 park model trailers, upon which taxes have been levied, but not paid,

1 is about to be removed from the county where the same has been
2 assessed, or is about to be destroyed, sold, or disposed of, the county
3 treasurer may demand such taxes, without the notice provided for in
4 this section, and if necessary may (~~forthwith~~) distrain sufficient
5 goods and chattels to pay the same."

6 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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