
ENGROSSED SUBSTITUTE HOUSE BILL 1004

State of Washington

63rd Legislature

2013 Regular Session

By House Finance (originally sponsored by Representatives Moeller, Pedersen, Blake, Hunt, Clibborn, Green, Van De Wege, Fitzgibbon, Lytton, Appleton, Stanford, and Pollet)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to payment of property taxes; amending RCW
2 84.56.020 and 84.56.070; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that it is difficult
5 for many property owners to pay property taxes under the current system
6 where past due property tax payments must be paid in full, including
7 penalties and interest. The legislature further finds that providing
8 counties and property owners some flexibility in structuring past due
9 property tax payments may provide some relief for property owners with
10 delinquent tax payments.

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

13 (1) The county treasurer must be the receiver and collector of all
14 taxes extended upon the tax rolls of the county, whether levied for
15 state, county, school, bridge, road, municipal or other purposes, and
16 also of all fines, forfeitures or penalties received by any person or
17 officer for the use of his or her county. No treasurer may accept tax
18 payments or issue receipts for the same until the treasurer has

1 completed the tax roll for the current year's collection and provided
2 notification of the completion of the roll. Notification may be
3 accomplished electronically, by posting a notice in the office, or
4 through other written communication as determined by the treasurer.
5 All taxes upon real and personal property made payable by the
6 provisions of this title are due and payable to the treasurer on or
7 before the thirtieth day of April and, except as provided in this
8 section, shall be delinquent after that date.

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

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

20 (4) When the total amount of tax or special assessments on any lot,
21 block or tract of real property or on any mobile home payable by one
22 person is fifty dollars or more, and if one-half of such tax be paid
23 after the thirtieth day of April but before the thirty-first day of
24 October, together with the applicable interest and penalty on the full
25 amount of tax payable for that year, the remainder of such tax is due
26 and payable on or before the thirty-first day of October following and
27 is delinquent after that date.

28 (5) Except as provided in (c) of this subsection, delinquent taxes
29 under this section are subject to interest at the rate of twelve
30 percent per annum computed on a monthly basis on the full year amount
31 of tax unpaid from the date of delinquency until paid. Interest must
32 be calculated at the rate in effect at the time of payment of the tax,
33 regardless of when the taxes were first delinquent. In addition,
34 delinquent taxes under this section are subject to penalties as
35 follows:

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

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

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

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

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

17 (i) Compensation of employees for the time devoted and identified
18 specifically to administering the avoidance of property foreclosure;
19 and

20 (ii) The cost of materials, services, or equipment acquired,
21 consumed, or expended specifically for the purpose of administering tax
22 foreclosure avoidance prior to the filing of a certificate of
23 delinquency.

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

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

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

37 ((+7)) (8) During a state of emergency declared under RCW
38 43.06.010(12), the county treasurer, on his or her own motion or at the

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

4 ~~((+8+))~~ (9) For purposes of this chapter, "interest" means both
5 interest and penalties.

6 ~~((+9+))~~ (10) All collections of interest on delinquent taxes must
7 be credited to the county current expense fund; but the cost of
8 foreclosure and sale of real property, and the fees and costs of
9 distraint and sale of personal property, for delinquent taxes, must,
10 when collected, be credited to the operation and maintenance fund of
11 the county treasurer prosecuting the foreclosure or distraint or sale;
12 and must be used by the county treasurer as a revolving fund to defray
13 the cost of further foreclosure, distraint and sale for delinquent
14 taxes without regard to budget limitations.

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

29 (b) The treasurer must provide, by electronic means or otherwise,
30 a payment agreement that ~~((may include prepayment collection charges.~~
31 ~~The payment agreement must be signed by the taxpayer and treasurer~~
32 ~~prior to the sending of an electronic bill))~~ provides for payment of
33 current year taxes, inclusive of prepayment collection charges. The
34 treasurer may provide, by electronic means or otherwise, a payment
35 agreement for payment of past due delinquencies, which must also
36 require current year taxes to be paid timely. The payment agreement
37 must be signed by the taxpayer and treasurer prior to the sending of an

1 electronic or alternative bill, which includes a payment plan for
2 current year taxes.

3 (c) All taxes upon real and personal property made payable by the
4 provisions of this title are due and payable to the treasurer on or
5 before the thirtieth day of April and are delinquent after that date.
6 The remainder of the tax is due and payable on or before the thirty-
7 first day of October following and is delinquent after that date. All
8 other assessments, fees, rates, and charges are delinquent after the
9 due date.

10 (d) A county treasurer may authorize payment of past due property
11 taxes, penalties, and interest under this chapter by electronic funds
12 transfer payments on a monthly basis. Monthly payments must first be
13 applied to penalties and interest. Delinquent taxes are subject to
14 interest and penalties, as provided in subsection (5) of this section.

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

20 (~~(11)~~) (12) For purposes of this section unless the context
21 clearly requires otherwise, the following definitions apply:

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

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

27 **Sec. 3.** RCW 84.56.070 and 2009 c 350 s 2 are each amended to read
28 as follows:

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

32 (2) The treasurer (~~shall~~) must give notice by mail to all persons
33 charged with personal property taxes, and if such taxes are not paid
34 before they become delinquent, the treasurer (~~shall forthwith proceed~~
35 ~~to collect the same~~) must commence delinquent collection efforts. A
36 delinquent collection charge for costs incurred by the treasurer must
37 be added to the account.

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

7 (a) The treasurer (~~shall~~) must without demand or notice distraint
8 sufficient goods and chattels belonging to the person charged with such
9 taxes to pay the same, with interest at the rate provided by law from
10 the date of delinquency, together with all accruing costs, and
11 (~~shall~~) must proceed to advertise the same by posting written notices
12 in three public places in the county in which such property has been
13 distrained, one of which places (~~shall~~) must be at the county
14 courthouse, such notice to state the time when and place where such
15 property will be sold.

16 (b) The county treasurer, or the treasurer's deputy, (~~shall~~) must
17 tax the same fees for making the distraint and sale of goods and
18 chattels for the payment of taxes as are allowed by law to sheriffs for
19 making levy and sale of property on execution; traveling fees to be
20 computed from the county seat of the county to the place of making
21 distraint.

22 (c) If the taxes for which such property is distrained, and the
23 interest and costs accruing thereon, are not paid before the date
24 appointed for such sale, which (~~shall be~~) may not be less than ten
25 days after the taking of such property, such treasurer or treasurer's
26 designee (~~shall~~) must proceed to sell such property at public
27 auction, or so much thereof as (~~shall be~~) is sufficient to pay such
28 taxes, with interest and costs, and if there be any excess of money
29 arising from the sale of any personal property, the treasurer (~~shall~~)
30 must pay such excess less any cost of the auction to the owner of the
31 property so sold or to his or her legal representative(~~:- PROVIDED,~~
32 ~~That whenever it shall become)~~).

33 (d) If necessary to distraint any standing timber owned separately
34 from the ownership of the land upon which the same may stand, or any
35 fish trap, pound net, reef net, set net, or drag seine fishing
36 location, or any other personal property as the treasurer (~~shall~~)
37 determines to be incapable or reasonably impracticable of manual
38 delivery, it (~~shall be~~) is deemed to have been distrained and taken

1 into possession when the treasurer (~~shall have~~) has, at least thirty
2 days before the date fixed for the sale thereof, filed with the auditor
3 of the county wherein such property is located a notice in writing
4 reciting that the treasurer has distrained such property, describing
5 it, giving the name of the owner or reputed owner, the amount of the
6 tax due, with interest, and the time and place of sale(~~(+)~~). A copy of
7 the notice (~~shall~~) must also be sent to the owner or reputed owner at
8 his or her last known address, by registered letter at least thirty
9 days prior to the date of sale(~~(+ AND PROVIDED FURTHER, That)~~).

10 (e) If the county treasurer has reasonable grounds to believe that
11 any personal property, including mobile homes, manufactured homes, or
12 park model trailers, upon which taxes have been levied, but not paid,
13 is about to be removed from the county where the same has been
14 assessed, or is about to be destroyed, sold, or disposed of, the county
15 treasurer may demand such taxes, without the notice provided for in
16 this section, and if necessary may (~~forthwith~~) distrain sufficient
17 goods and chattels to pay the same.

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