
HOUSE BILL 1142

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Dahlquist, Hurst, Haigh, Moeller, Orwall, Kochmar, and Nealey

Read first time 01/16/13. Referred to Committee on Finance.

1 AN ACT Relating to establishing a pilot program for payment of past
2 due property taxes; amending RCW 84.56.020; 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 in which 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 result in a more stable source of revenues
10 for local governments and provide some relief for property owners.

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

35 (a) A penalty of three percent of the full year amount of tax
36 unpaid is assessed on the tax delinquent on June 1st of the year in
37 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 (6) Subsection (5) of this section notwithstanding, no interest or
5 penalties may be assessed during any period of armed conflict on
6 delinquent taxes imposed on the personal residences owned by active
7 duty military personnel who are participating as part of one of the
8 branches of the military involved in the conflict and assigned to a
9 duty station outside the territorial boundaries of the United States.

10 (7) During a state of emergency declared under RCW 43.06.010(12),
11 the county treasurer, on his or her own motion or at the request of any
12 taxpayer affected by the emergency, may grant extensions of the due
13 date of any taxes payable under this section as the treasurer deems
14 proper.

15 (8)(a) In accordance with the requirements and conditions of this
16 subsection (8), the county treasurer of a county with a population of
17 eight hundred thousand or more must establish an installment payment
18 program for taxpayers delinquent on taxes due and payable in any year
19 prior to the calendar year in which an application to participate in
20 the program is submitted. The county treasurer from any other county
21 may also establish a similar installment program, but is not required
22 to do so. In a county with a population of eight hundred thousand or
23 more, the installment payment program must be implemented by calendar
24 year 2014, but may be implemented earlier.

25 (b) A taxpayer must submit an application to the county treasurer
26 in a form and manner required by the county treasurer. The application
27 must specify the timing of payments and payment amounts. A county
28 treasurer may establish a reasonable minimum payment threshold, a
29 reasonable maximum time period in which a taxpayer must become current
30 on delinquent taxes, penalties, and interest, and any other reasonable
31 requirements for an installment payment program under this subsection.

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

36 (d) The county treasurer may not assess interest and penalties on
37 delinquent property taxes that are included within the installment
38 payment program beginning on the first day of the month in which the

1 taxpayer is first admitted into the program. Interest and penalties
2 that have been assessed prior to this date remain due and payable as
3 provided in the payment program. A taxpayer is disqualified
4 immediately from the program if the taxpayer does not make payments in
5 accordance with the program on more than two occasions. If a taxpayer
6 is disqualified from the program for any reason, all penalties and
7 interest that would have otherwise been assessed become immediately due
8 and payable.

9 (e) The department, collaborating with any county treasurer
10 participating in the installment payment program under this subsection,
11 must prepare a report to the legislature consistent with RCW 43.01.036.
12 The report must summarize the effectiveness of the pilot program in
13 increasing payments on past due taxes and include information on the
14 number of applicants, the number of active participants, the number of
15 participants who have paid off all past due taxes, and the total amount
16 of revenue collected under the pilot program. The report may include
17 any recommendations to the legislature to improve the effectiveness of
18 the pilot program. The report is due on the first December 1st
19 occurring after the pilot program has been operating for at least
20 twenty-four months.

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

23 ~~((+9))~~ (10) All collections of interest on delinquent taxes must
24 be credited to the county current expense fund; but the cost of
25 foreclosure and sale of real property, and the fees and costs of
26 distrainment and sale of personal property, for delinquent taxes, must,
27 when collected, be credited to the operation and maintenance fund of
28 the county treasurer prosecuting the foreclosure or distrainment or sale;
29 and must be used by the county treasurer as a revolving fund to defray
30 the cost of further foreclosure, distrainment and sale for delinquent
31 taxes without regard to budget limitations.

32 ~~((+10))~~ (11)(a) For purposes of this chapter, and in accordance
33 with this section and RCW 36.29.190, the treasurer may collect taxes,
34 assessments, fees, rates, penalties, interest, and charges by
35 electronic bill presentment and payment. Electronic bill presentment
36 and payment may be utilized as an option by the taxpayer, but the
37 treasurer may not require the use of electronic bill presentment and
38 payment. Electronic bill presentment and payment may be on a monthly

1 or other periodic basis as the treasurer deems proper for past due
2 payments or prepayments. All prepayments must be paid in full by the
3 due date specified in (c) of this subsection.

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

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

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

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

24 ((+11)) (12) For purposes of this section, the following
25 definitions apply:

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

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

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