
HOUSE BILL 2513

State of Washington 63rd Legislature 2014 Regular Session

By Representatives S. Hunt, Takko, Tharinger, Reykdal, and Haigh

Read first time 01/20/14. Referred to Committee on Finance.

1 AN ACT Relating to modifying collection dates for property taxes
2 paid through escrow; and amending RCW 84.56.020.

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

4 **Sec. 1.** RCW 84.56.020 and 2013 c 239 s 3 are each amended to read
5 as follows:

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

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

6 (3)(a) When the total amount of tax or special assessments on
7 personal property or on any lot, block or tract of real property
8 payable by one person is fifty dollars or more, and if one-half of such
9 tax be paid on or before the thirtieth day of April, the remainder of
10 such tax is, except as provided in (b) of this subsection, due and
11 payable on or before the thirty-first day of October following and
12 (~~shall be~~) is delinquent after that date.

13 (b) If property taxes are held in an escrow account by a financial
14 institution, and subject to county legislative authorization under (c)
15 of this subsection, one-half of the payment that would otherwise be due
16 and payable by the thirty-first day of October under (a) of this
17 subsection is instead due and payable by the thirty-first day of July,
18 and shall be delinquent after that date. The remainder is due by the
19 thirty-first day of October.

20 (c) A county legislative authority may authorize the alternate
21 payment date provided in (b) of this subsection for taxes levied for
22 collection in 2015 and thereafter.

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

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

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

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

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

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

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

20 (i) Compensation of employees for the time devoted and identified
21 specifically to administering the avoidance of property foreclosure;
22 and

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

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

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

34 (7) Subsection (5) of this section notwithstanding, no interest or
35 penalties may be assessed during any period of armed conflict on
36 delinquent taxes imposed on the personal residences owned by active
37 duty military personnel who are participating as part of one of the

1 branches of the military involved in the conflict and assigned to a
2 duty station outside the territorial boundaries of the United States.

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

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

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

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

33 (b) The treasurer must provide, by electronic means or otherwise,
34 a payment agreement that provides for payment of current year taxes,
35 inclusive of prepayment collection charges. The treasurer may provide,
36 by electronic means or otherwise, a payment agreement for payment of
37 past due delinquencies, which must also require current year taxes to

1 be paid timely. The payment agreement must be signed by the taxpayer
2 and treasurer prior to the sending of an electronic or alternative
3 bill, which includes a payment plan for current year taxes.

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

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

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

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

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

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

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