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**SUBSTITUTE SENATE BILL 5503**

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**State of Washington                      63rd Legislature                      2013 Regular Session**

**By** Senate Governmental Operations (originally sponsored by Senators Roach, Delvin, Litzow, Fraser, Conway, Sheldon, Shin, and Padden)

READ FIRST TIME 02/22/13.

1            AN ACT Relating to payment of delinquent property taxes; amending  
2            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 many taxpayers  
5            face difficulties paying property taxes on due dates, particularly  
6            during economic downturns.    The legislature intends to authorize  
7            counties to establish programs enabling taxpayers to make partial  
8            payments of delinquent property taxes on a monthly or quarterly basis.  
9            These programs can provide relief for struggling taxpayers and afford  
10           local governments a more stable source of revenue.

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) 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)(a) A county treasurer may establish a program enabling  
5 taxpayers to make partial payments of delinquent property taxes on a  
6 monthly or quarterly basis, consistent with this subsection (6).

7 (b) Partial payments of delinquent property taxes:

8 (i) Must, within a twelve-month period, equal or exceed one year's  
9 delinquent taxes, interest, and penalties;

10 (ii) May be collected by electronic bill presentment and payment,  
11 pursuant to subsection (5) of this section; and

12 (iii) May not be made after proceedings have been initiated for  
13 collection of delinquent taxes through foreclosure and sale of real  
14 property or distraint and sale of personal property.

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

21 ~~((+7))~~ (8) During a state of emergency declared under RCW  
22 43.06.010(12), the county treasurer, on his or her own motion or at the  
23 request of any taxpayer affected by the emergency, may grant extensions  
24 of the due date of any taxes payable under this section as the  
25 treasurer deems proper.

26 ~~((+8))~~ (9) For purposes of this chapter, "interest" means both  
27 interest and penalties.

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

37 ~~((+10))~~ (11)(a) For purposes of this chapter, and in accordance  
38 with this section and RCW 36.29.190, the treasurer may collect taxes,

1 assessments, fees, rates, and charges by electronic bill presentment  
2 and payment. Electronic bill presentment and payment may be utilized  
3 as an option by the taxpayer, but the treasurer may not require the use  
4 of electronic bill presentment and payment. Electronic bill  
5 presentment and payment may be on a monthly or other periodic basis as  
6 the treasurer deems proper for prepayments. All prepayments must be  
7 paid in full by the due date specified in (c) of this subsection.

8 (b) The treasurer must provide, by electronic means, a payment  
9 agreement that may include prepayment collection charges. The payment  
10 agreement must be signed by the taxpayer and treasurer prior to the  
11 sending of an electronic bill.

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

19 (d) 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 (e) The treasurer may provide for electronic payment of delinquent  
25 property taxes, interest, and penalties, pursuant to subsection (5) of  
26 this section.

27 ~~((+11))~~ (12) For purposes of this section, unless the context  
28 clearly requires otherwise, the following definitions apply:

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

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

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