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ENGROSSED HOUSE BILL 1648

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Stonier, Frame, Peterson, Harris, Vick, Wylie, and Pike

Read first time 01/25/17. Referred to Committee on Local Government.

1 AN ACT Relating to county treasurer administrative efficiencies;  
2 amending RCW 84.56.020, 84.56.050, and 82.45.090; and repealing 2014  
3 c 13 s 3 (uncodified).

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

5 **Sec. 1.** RCW 84.56.020 and 2014 c 13 s 1 are each amended to read  
6 as follows:

7 (1) The county treasurer must be the receiver and collector of  
8 all taxes extended upon the tax rolls of the county, whether levied  
9 for state, county, school, bridge, road, municipal or other purposes,  
10 and also of all fines, forfeitures or penalties received by any  
11 person or officer for the use of his or her county. No treasurer may  
12 accept tax payments or issue receipts for the same until the  
13 treasurer has completed the tax roll for the current year's  
14 collection and provided notification of the completion of the roll.  
15 Notification may be accomplished electronically, by posting a notice  
16 in the office, or through other written communication as determined  
17 by the treasurer. All (~~taxes upon~~) real and personal property taxes  
18 and assessments made payable by the provisions of this title are due  
19 and payable to the county treasurer on or before the thirtieth day of  
20 April and, except as provided in this section, (~~shall be~~) are  
21 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  
4 include any suggestion that checks may be made payable to the name of  
5 the individual holding the office of treasurer nor any other  
6 individual.

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

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

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

31 (a) A penalty of three percent of the amount of tax delinquent is  
32 assessed on the tax delinquent on June 1st of the year in which the  
33 tax is due.

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

37 (c) If a taxpayer is successfully participating in a partial  
38 payment (~~(agreement under subsection (11)(b) of this section))~~  
39 program pursuant to subsection (13) of this section, the county  
40 treasurer may not assess additional penalties on delinquent taxes

1 that are included within the payment agreement. Interest and  
2 penalties that have been assessed prior to the payment agreement  
3 remain due and payable as provided in the payment agreement.

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

7 (b) For the purposes of this section, "tax foreclosure avoidance  
8 costs" means those ~~((costs that can be identified specifically))~~  
9 direct costs associated with the administration of properties subject  
10 to and prior to foreclosure. Tax foreclosure avoidance costs include:

11 (i) Compensation of employees for the time devoted ~~((and~~  
12 ~~identified specifically))~~ to administering the avoidance of property  
13 foreclosure; and

14 (ii) The cost of materials, services, or equipment acquired,  
15 consumed, or expended ~~((specifically for the purpose of))~~ in  
16 administering tax foreclosure avoidance prior to the filing of a  
17 certificate of delinquency.

18 (c) When tax foreclosure avoidance costs are collected, ~~((the tax~~  
19 ~~foreclosure avoidance costs))~~ such costs must be credited to the  
20 county treasurer service fund account, except as otherwise directed.

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

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

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

38 (9) All collections of interest on delinquent taxes must be  
39 credited to the county current expense fund.

1        (10) For purposes of this chapter, "interest" means both interest  
2 and penalties.

3        ~~((10) All collections of interest on delinquent taxes must be  
4 credited to the county current expense fund; but))~~

5        (11) The direct cost of foreclosure and sale of real property,  
6 and the direct fees and costs of distraint and sale of personal  
7 property, for delinquent taxes, must, when collected, be credited to  
8 the operation and maintenance fund of the county treasurer  
9 prosecuting the foreclosure or distraint or sale; and must be used by  
10 the county treasurer as a revolving fund to defray the cost of  
11 further foreclosure, distraint, and sale ~~((for))~~ because of  
12 delinquent taxes without regard to budget limitations and not subject  
13 to indirect costs of other charges.

14        ~~((11))~~ (12)(a) For purposes of this chapter, and in accordance  
15 with this section and RCW 36.29.190, the treasurer may collect taxes,  
16 assessments, fees, rates, interest, and charges by electronic ~~((bill  
17 presentment))~~ billing and payment. Electronic ~~((bill presentment))~~  
18 billing and payment may be ~~((utilized))~~ used as an option by the  
19 taxpayer, but the treasurer may not require the use of electronic  
20 ~~((bill presentment))~~ billing and payment. Electronic bill presentment  
21 and payment may be on a monthly or other periodic basis as the  
22 treasurer deems proper for delinquent tax year payments only or for  
23 prepayments of current tax. All prepayments must be paid in full by  
24 the due date specified in ~~((e))~~ (b) of this subsection. Payments on  
25 past due taxes must include collection of the oldest delinquent year,  
26 which includes interest and taxes within a twelve-month period, prior  
27 to filing a certificate of delinquency under chapter 84.64 RCW or  
28 distraint pursuant to RCW 84.56.070.

29        ~~((The treasurer must provide, by electronic means or  
30 otherwise, a payment agreement that provides for payment of current  
31 year taxes, inclusive of prepayment collection charges. The treasurer  
32 may provide, by electronic means or otherwise, a payment agreement  
33 for payment of past due delinquencies, which must also require  
34 current year taxes to be paid timely. The payment agreement must be  
35 signed by the taxpayer and treasurer prior to the sending of an  
36 electronic or alternative bill, which includes a payment plan for  
37 current year taxes. The treasurer may accept partial payment of  
38 current and delinquent taxes including interest and penalties using  
39 electronic bill presentment and payments.~~

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

8       ~~((d))~~) (c) A county treasurer may authorize payment of past due  
9 property taxes, penalties, and interest under this chapter by  
10 electronic funds transfers ~~((payments))~~ on a monthly basis.  
11 Delinquent taxes are subject to interest and penalties, as provided  
12 in subsection (5) of this section.

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

19       ~~((12))~~) (13) The treasurer may accept partial payment of current  
20 and delinquent taxes including interest and penalties by any means  
21 authorized.

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

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

28       (b) "Internet" has the same meaning as provided in RCW  
29 19.270.010.

30       **Sec. 2.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to  
31 read as follows:

32       (1) On ~~((receiving the tax rolls the treasurer shall post))~~  
33 receipt of the certification of the tax rolls from the county  
34 assessor, the county treasurer must transfer all real and personal  
35 property taxes from the rolls to the treasurer's tax roll, and  
36 ~~((shall))~~ must carry forward to the current tax rolls a memorandum of  
37 all delinquent taxes on each and every description of property, ~~((and~~  
38 ~~enter the same on the property upon which the taxes are delinquent~~  
39 ~~showing the amounts for each year. The treasurer shall notify each~~

1 taxpayer in the county, at the expense of the county, of the amount  
2 of the real and personal property, and the current and delinquent  
3 amount of tax due on the same; and the treasurer shall have printed  
4 on the notice the name of each tax and the levy made on the same. The  
5 county treasurer shall be the sole collector of all delinquent taxes  
6 and all other taxes due and collectible on the tax rolls of the  
7 county: PROVIDED, That the term "taxpayer" as used in this section  
8 shall)) entering which taxes are delinquent and the amounts for each  
9 year. Except as provided otherwise in this section, the treasurer  
10 must provide a printed notice or electronically publish, at the  
11 expense of the county, information for each taxpayer, regarding the  
12 amount of real and personal property, and the name of each tax and  
13 levy made on the same. The county treasurer must be the sole  
14 collector of all taxes, current or delinquent.

15 (2) For the purposes of this section, "taxpayer" means any person  
16 charged, or whose property is charged, with property tax((;and)).

17 (3) The person to be notified ((is that)) under this section is  
18 the person whose name appears on the tax roll herein mentioned((;   
19 PROVIDED, FURTHER, That)). However, if:

20 (a) No name so appears the person to be notified is ((that)) the  
21 person shown by the treasurer's tax rolls or duplicate tax receipts  
22 of any preceding year as the payer of the tax last paid on the  
23 property ((in question)); or

24 (b) The real property taxes are paid by a bank, as defined in RCW  
25 62A.1-201, the name of each tax and levy in the property tax  
26 information on the county treasurer's web site satisfies the notice  
27 requirements of this section.

28 **Sec. 3.** RCW 82.45.090 and 2009 c 350 s 8 are each amended to  
29 read as follows:

30 (1) Except for a sale of a beneficial interest in real property  
31 where no instrument evidencing the sale is recorded in the official  
32 real property records of the county in which the property is located,  
33 the tax imposed by this chapter ((shall)) must be paid to and  
34 collected by the treasurer of the county within which is located the  
35 real property ((which)) that was sold. In collecting the tax the  
36 county treasurer ((shall)) must act as agent for the state. The  
37 county treasurer ((shall)) must cause a verification of payment  
38 evidencing satisfaction of the lien to be affixed to the instrument  
39 of sale or conveyance prior to its recording or to the real estate

1 excise tax affidavit in the case of used mobile home sales and used  
2 floating home sales. A receipt issued by the county treasurer for the  
3 payment of the tax imposed under this chapter (~~shall be~~) is  
4 evidence of the satisfaction of the lien imposed (~~hereunder~~) in  
5 this section and may be recorded in the manner prescribed for  
6 recording satisfactions of mortgages. No instrument of sale or  
7 conveyance evidencing a sale subject to the tax (~~shall~~) may be  
8 accepted by the county auditor for filing or recording until the tax  
9 (~~shall have been~~) is paid and the verification of payment affixed  
10 thereto; in case the tax is not due on the transfer, the instrument  
11 (~~shall~~) may not be so accepted until suitable notation of such fact  
12 has been made on the instrument by the treasurer. (~~Any time there is~~  
13 a) At the sale of a used mobile home, used manufactured home, used  
14 park model, or used floating home that has not been title eliminated,  
15 property taxes must be current in order to complete the processing of  
16 the real estate excise tax affidavit or other documents transferring  
17 title. Verification that the property taxes are current must be noted  
18 on the mobile home real estate excise tax affidavit or on a form  
19 approved by the county treasurer. For the purposes of this  
20 subsection, "mobile home," "manufactured home," and "park model" have  
21 the same meaning as provided in RCW 59.20.030.

22 (2) For a sale of a beneficial interest in real property where a  
23 tax is due under this chapter and where no instrument is recorded in  
24 the official real property records of the county in which the  
25 property is located, the sale (~~shall~~) must be reported to the  
26 department of revenue within five days from the (~~date of the~~) sale  
27 date on such returns or forms and according to such procedures as the  
28 department may prescribe. Such forms or returns (~~shall~~) must be  
29 signed or electronically signed by both the transferor and the  
30 transferee and (~~shall~~) must be accompanied by payment of the tax  
31 due.

32 (3) Any person who intentionally makes a false statement on any  
33 return or form required to be filed with the department under this  
34 chapter is guilty of perjury under chapter 9A.72 RCW.

35 NEW SECTION. **Sec. 4.** 2014 c 13 s 3 (uncodified) is repealed.

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