

E2SHB 1105 - S AMD 541
By Senator Short

ADOPTED 04/11/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.56.020 and 2017 c 142 s 1 are each amended to
4 read as follows:

5 **Treasurers' tax collection duties.**

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

21 **Tax statements.**

22 (2) (a) Tax statements for the current year's collection must be
23 distributed to each taxpayer on or before March 15th provided that:

24 (i) All city and other taxing district budgets have been
25 submitted to county legislative authorities by November 30th per RCW
26 84.52.020;

27 (ii) The county legislative authority in turn has certified taxes
28 levied to the county assessor by November 30th per RCW 84.52.070; and

29 (iii) The county assessor has delivered the tax roll to the
30 county treasurer by January 15th per RCW 84.52.080.

31 (b) Each tax statement must include a notice that checks for
32 payment of taxes may be made payable to "Treasurer of

1 County" or other appropriate office, but tax statements may not
2 include any suggestion that checks may be made payable to the name of
3 the individual holding the office of treasurer nor any other
4 individual.

5 (c) Each tax statement distributed to an address must include a
6 notice with information describing the:

7 (i) Property tax exemption program pursuant to RCW 84.36.379
8 through 84.36.389; and

9 (ii) Property tax deferral program pursuant to chapter 84.38 RCW.

10 **Tax payment due dates.**

11 **On-time tax payments: First-half taxes paid by April 30th and**
12 **second-half taxes paid by October 31st.**

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

19 **Delinquent tax payments for current year: First-half taxes paid**
20 **after April 30th.**

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

29 **Delinquent tax payments: Interest, penalties, and treasurer**
30 **duties.**

31 (5) Except as provided in (c) of this subsection, delinquent
32 taxes under this section are subject to interest at the rate of
33 twelve percent per annum computed on a monthly basis on the amount of
34 tax delinquent from the date of delinquency until paid. Interest must
35 be calculated at the rate in effect at the time of the tax payment,
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 amount of tax delinquent is
2 assessed on the tax delinquent on June 1st of the year in which the
3 tax is due.

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

7 (c) If a taxpayer is successfully participating in a payment
8 agreement under subsection (~~((12))~~) (15)(b) of this section or a
9 partial payment program pursuant to subsection (~~((13))~~) (15)(c) of
10 this section, the county treasurer may not assess additional
11 penalties on delinquent taxes that are included within the payment
12 agreement. Interest and penalties that have been assessed prior to
13 the payment agreement remain due and payable as provided in the
14 payment agreement.

15 (6) A county treasurer must provide notification to each taxpayer
16 whose taxes have become delinquent under subsections (4) and (5) of
17 this section. The delinquency notice must specify where the taxpayer
18 can obtain information regarding:

19 (a) Any current tax or special assessments due as of the date of
20 the notice;

21 (b) Any delinquent tax or special assessments due, including any
22 penalties and interest, as of the date of the notice; and

23 (c) Where the taxpayer can pay his or her property taxes directly
24 and contact information, including but not limited to the phone
25 number, for the statewide foreclosure hotline recommended by the
26 Washington state housing finance commission.

27 (7) Within ninety days after the expiration of two years from the
28 date of delinquency (when a taxpayer's taxes have become delinquent),
29 the county treasurer must provide the name and property address of
30 the delinquent taxpayer to a homeownership resource center or any
31 other designated local or state entity recommended by the Washington
32 state housing finance commission.

33 **Collection of foreclosure costs.**

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

37 (b) (~~For the purposes of this section, "tax foreclosure~~
38 avoidance costs" means those direct costs associated with the
39 administration of properties subject to and prior to foreclosure. Tax
40 foreclosure avoidance costs include:

1 ~~(i) Compensation of employees for the time devoted to~~
2 ~~administering the avoidance of property foreclosure; and~~

3 ~~(ii) The cost of materials, services, or equipment acquired,~~
4 ~~consumed, or expended in administering tax foreclosure avoidance~~
5 ~~prior to the filing of a certificate of delinquency.~~

6 ~~(e))~~ When tax foreclosure avoidance costs are collected, such
7 costs must be credited to the county treasurer service fund account,
8 except as otherwise directed.

9 ~~((d))~~ (c) For purposes of chapter 84.64 RCW, any taxes,
10 interest, or penalties deemed delinquent under this section remain
11 delinquent until such time as all taxes, interest, and penalties for
12 the tax year in which the taxes were first due and payable have been
13 paid in full.

14 ~~((7))~~ **Periods of armed conflict.**

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

22 ~~((8))~~ **State of emergency.**

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

28 ~~((9))~~ **Retention of funds from interest.**

29 (11) All collections of interest on delinquent taxes must be
30 credited to the county current expense fund.

31 ~~((10))~~ (12) For purposes of this chapter, "interest" means both
32 interest and penalties.

33 ~~((11))~~ **Retention of funds from property foreclosures and sales.**

34 (13) The direct cost of foreclosure and sale of real property,
35 and the direct fees and costs of distraint and sale of personal
36 property, for delinquent taxes, must, when collected, be credited to
37 the operation and maintenance fund of the county treasurer
38 prosecuting the foreclosure or distraint or sale; and must be used by
39 the county treasurer as a revolving fund to defray the cost of
40 further foreclosure, distraint, and sale because of delinquent taxes

1 without regard to budget limitations and not subject to indirect
2 costs of other charges.

3 ~~((12)(a))~~ **Tax due dates and options for tax payment**
4 **collections.**

5 **Electronic billings and payments.**

6 (14) For purposes of this chapter, and in accordance with this
7 section and RCW 36.29.190, the treasurer may collect taxes,
8 assessments, fees, rates, interest, and charges by electronic billing
9 and payment. Electronic billing and payment may be used as an option
10 by the taxpayer, but the treasurer may not require the use of
11 electronic billing and payment. Electronic bill presentment and
12 payment may be on a monthly or other periodic basis as the treasurer
13 deems proper for:

14 (a) Delinquent tax year payments ~~((only or for))~~; and

15 (b) Prepayments of current tax.

16 **Tax payments.**

17 **Prepayment for current taxes.**

18 (15)(a) The treasurer may accept prepayments for current year
19 taxes by any means authorized. All prepayments must be paid in full
20 by the due date specified in ~~((c) of this)~~ subsection (16) of this
21 section. ~~((Payments on past due taxes must include collection of the~~
22 ~~oldest delinquent year, which includes interest and taxes within a~~
23 ~~twelve-month period, prior to filing a certificate of delinquency~~
24 ~~under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.))~~

25 **Payment agreements for current year taxes.**

26 (b) (i) The treasurer may provide, by electronic means or
27 otherwise, a payment agreement that provides for payment of current
28 year taxes, inclusive of prepayment collection charges. The payment
29 agreement must be signed by the taxpayer and treasurer or the
30 treasurer's deputy prior to the sending of an electronic or
31 alternative bill, which includes a payment plan for current year
32 taxes.

33 **Payment agreements for delinquent year taxes.**

34 (ii)(A) The treasurer may provide, by electronic means or
35 otherwise, a payment agreement for payment of past due
36 delinquencies ~~((, which must also require current year taxes to be~~
37 ~~paid timely)).~~ The payment agreement must be signed by the taxpayer
38 and treasurer or the treasurer's deputy prior to the sending of an
39 electronic or alternative bill, which includes a payment plan for
40 ~~((current year taxes. The treasurer may accept partial payment of~~

1 ~~current and delinquent taxes including interest and penalties using~~
2 ~~electronic bill presentment and payments.~~

3 ~~(e))~~ past due delinquent taxes and charges.

4 (B) Tax payments received by a treasurer for delinquent year
5 taxes from a taxpayer participating on a payment agreement must be
6 applied first to the oldest delinquent year unless such taxpayer
7 requests otherwise.

8 **Partial payments: Acceptance of partial payments for current and**
9 **delinquent taxes.**

10 (c)(i) In addition to the payment agreement program in (b) of
11 this subsection, the treasurer may accept partial payment of any
12 current and delinquent taxes including interest and penalties by any
13 means authorized including electronic bill presentment and payments.

14 (ii) All tax payments received by a treasurer for delinquent year
15 taxes from a taxpayer paying a partial payment must be applied first
16 to the oldest delinquent year unless such taxpayer requests
17 otherwise.

18 **Payment for delinquent taxes.**

19 (d) Payments on past due taxes must include collection of the
20 oldest delinquent year, which includes interest, penalties, and taxes
21 within an eighteen-month period, prior to filing a certificate of
22 delinquency under chapter 84.64 RCW or distraint pursuant to RCW
23 84.56.070.

24 **Due date for tax payments.**

25 (16) All taxes upon real and personal property made payable by
26 the provisions of this title are due and payable to the treasurer on
27 or before the thirtieth day of April and are delinquent after that
28 date. The remainder of the tax is due and payable on or before the
29 following thirty-first of October and is delinquent after that date.
30 All other assessments, fees, rates, and charges are delinquent after
31 the due date.

32 ~~((d))~~ **Electronic funds transfers.**

33 (17) A county treasurer may authorize payment of:

34 (a) Any current property taxes due under this chapter by
35 electronic funds transfers on a monthly or other periodic basis; and

36 (b) Any past due property taxes, penalties, and interest under
37 this chapter by electronic funds transfers on a monthly or other
38 periodic basis. Delinquent taxes are subject to interest and
39 penalties, as provided in subsection (5) of this section. All tax
40 payments received by a treasurer from a taxpayer paying delinquent

1 year taxes must be applied first to the oldest delinquent year unless
2 such taxpayer requests otherwise.

3 ~~((e))~~ **Payment for administering prepayment collections.**

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

9 ~~((13) In addition to the payment program in subsection (12) (b)~~
10 ~~of this section, the treasurer may accept partial payment of current~~
11 ~~and delinquent taxes including interest and penalties by any means~~
12 ~~authorized.~~

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

15 **Waiver of interest and penalties for qualified taxpayers subject**
16 **to foreclosure.**

17 (19) No earlier than sixty days prior to the date that is three
18 years after the date of delinquency, the treasurer must waive all
19 outstanding interest and penalties on delinquent taxes due from a
20 taxpayer if the property is subject to an action for foreclosure
21 under chapter 84.64 RCW and the following requirements are met:

22 (a) The taxpayer is income-qualified under RCW 84.36.381(5) (a),
23 as verified by the county assessor;

24 (b) The taxpayer occupies the property as their principal place
25 of residence; and

26 (c) The taxpayer has not previously received a waiver on the
27 property as provided under this subsection.

28 **Definitions.**

29 (20) The definitions in this subsection apply throughout this
30 section unless the context clearly requires otherwise.

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

35 (b) "Internet" has the same meaning as provided in RCW
36 19.270.010.

37 (c) "Tax foreclosure avoidance costs" means those direct costs
38 associated with the administration of properties subject to and prior
39 to foreclosure. Tax foreclosure avoidance costs include:

1 (1) No claims are allowed against the county from any
2 municipality, school district, road district or other taxing district
3 for taxes levied on property acquired by the county by tax deed under
4 the provisions of this chapter, but all taxes must at the time of
5 deeding the property be thereby canceled. However, the proceeds of
6 any sale of any property acquired by the county by tax deed must
7 first be applied to reimburse the county for the costs of foreclosure
8 and sale. The remainder of the proceeds, if any, must be applied to
9 pay any amounts deferred under chapter 84.37 or 84.38 RCW on the
10 property, including accrued interest, and outstanding at the time the
11 county acquired the property by tax deed. The remainder of the
12 proceeds, if any, must be justly apportioned to the various funds
13 existing at the date of the sale, in the territory in which such
14 property is located, according to the tax levies of the year last in
15 process of collection.

16 (2) For purposes of this section, "costs of foreclosure and sale"
17 means those costs of foreclosing on the property that, when
18 collected, are subject to RCW 84.56.020(~~((+9))~~) (13), and the direct
19 costs incurred by the county in selling the property.

20 **Sec. 4.** RCW 84.64.050 and 2013 c 221 s 12 are each amended to
21 read as follows:

22 (1) Except as provided in subsection (7) of this section, after
23 the expiration of three years from the date of delinquency, when any
24 property remains on the tax rolls for which no certificate of
25 delinquency has been issued, the county treasurer must proceed to
26 issue certificates of delinquency on the property to the county for
27 all years' taxes, interest, and costs. However, the county treasurer,
28 with the consent of the county legislative authority, may elect to
29 issue a certificate for fewer than all years' taxes, interest, and
30 costs to a minimum of the taxes, interest, and costs for the earliest
31 year.

32 (2) Certificates of delinquency are prima facie evidence that:

33 (a) The property described was subject to taxation at the time
34 the same was assessed;

35 (b) The property was assessed as required by law;

36 (c) The taxes or assessments were not paid at any time before the
37 issuance of the certificate;

38 (d) Such certificate has the same force and effect as a lis
39 pendens required under chapter 4.28 RCW.

1 (3) The county treasurer may include in the certificate of
2 delinquency any assessments which are due on the property and are the
3 responsibility of the county treasurer to collect. However, if the
4 department of revenue has previously notified the county treasurer in
5 writing that the property has a lien on it for deferred property
6 taxes, the county treasurer must include in the certificate of
7 delinquency any amounts deferred under chapters 84.37 and 84.38 RCW
8 that remain unpaid, including accrued interest and costs.

9 (4) The treasurer must file the certificates when completed with
10 the clerk of the court at no cost to the treasurer, and the treasurer
11 must thereupon, with legal assistance from the county prosecuting
12 attorney, proceed to foreclose in the name of the county, the tax
13 liens embraced in such certificates. Notice and summons must be
14 served or notice given in a manner reasonably calculated to inform
15 the owner or owners, and any person having a recorded interest in or
16 lien of record upon the property, of the foreclosure action to appear
17 within thirty days after service of such notice and defend such
18 action or pay the amount due. Either (a) personal service upon the
19 owner or owners and any person having a recorded interest in or lien
20 of record upon the property, or (b) publication once in a newspaper
21 of general circulation, which is circulated in the area of the
22 property and mailing of notice by certified mail to the owner or
23 owners and any person having a recorded interest in or lien of record
24 upon the property, or, if a mailing address is unavailable, personal
25 service upon the occupant of the property, if any, is sufficient. If
26 such notice is returned as unclaimed, the treasurer must send notice
27 by regular first-class mail. The notice must include the legal
28 description on the tax rolls, the year or years for which assessed,
29 the amount of tax and interest due, and the name of owner, or reputed
30 owner, if known, and the notice must include the local street
31 address, if any, for informational purposes only. The certificates of
32 delinquency issued to the county may be issued in one general
33 certificate in book form including all property, and the proceedings
34 to foreclose the liens against the property may be brought in one
35 action and all persons interested in any of the property involved in
36 the proceedings may be made codefendants in the action, and if
37 unknown may be therein named as unknown owners, and the publication
38 of such notice is sufficient service thereof on all persons
39 interested in the property described therein, except as provided
40 above. The person or persons whose name or names appear on the

1 treasurer's rolls as the owner or owners of the property must be
2 considered and treated as the owner or owners of the property for the
3 purpose of this section, and if upon the treasurer's rolls it appears
4 that the owner or owners of the property are unknown, then the
5 property must be proceeded against, as belonging to an unknown owner
6 or owners, as the case may be, and all persons owning or claiming to
7 own, or having or claiming to have an interest therein, are hereby
8 required to take notice of the proceedings and of any and all steps
9 thereunder. However, prior to the sale of the property, the treasurer
10 must order or conduct a title search of the property to be sold to
11 determine the legal description of the property to be sold and the
12 record title holder, and if the record title holder or holders differ
13 from the person or persons whose name or names appear on the
14 treasurer's rolls as the owner or owners, the record title holder or
15 holders must be considered and treated as the owner or owners of the
16 property for the purpose of this section, and are entitled to the
17 notice provided for in this section. Such title search must be
18 included in the costs of foreclosure.

19 (5) If the title search required by subsection (4) of this
20 section reveals a lien in favor of the state for deferred taxes on
21 the property under RCW 84.37.070 or 84.38.100 and such deferred taxes
22 are not already included in the certificate of delinquency, the
23 county treasurer must issue an amended certificate of delinquency on
24 the property to include the outstanding amount of deferred taxes,
25 including accrued interest. The amended certificate of delinquency
26 must be filed with the clerk of the court as provided in subsection
27 (4) of this section.

28 (6) The county treasurer may not sell property that is eligible
29 for deferral of taxes under chapter 84.38 RCW but must require the
30 owner of the property to file a declaration to defer taxes under
31 chapter 84.38 RCW.

32 (7) Except those parcels where the local governing entity has
33 declared and/or certified the parcel a nuisance affecting public
34 peace, safety, and welfare, or other similar code provision, in no
35 case may a certificate of delinquency be filed on property where the
36 tax delinquency under chapter 84.56 RCW is one hundred dollars or
37 less in total excluding interest and penalties.

38 NEW SECTION. Sec. 5. A new section is added to chapter 84.56
39 RCW to read as follows:

1 (1) If a taxpayer requests assistance for payment of current year
2 or delinquent taxes, the county assessor, if applicable:

3 (a) May assist the taxpayer in applying for a property tax
4 exemption program under RCW 84.36.379 through 84.36.389;

5 (b) May assist the taxpayer in applying for the property tax
6 deferral program under chapter 84.38 RCW; and

7 (c) Must refer the taxpayer to the statewide foreclosure hotline
8 recommended by the Washington state housing finance commission.

9 (2) A county treasurer may also refer a taxpayer requesting tax
10 payment assistance to the county assessor's office under subsection
11 (1) of this section.

12 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.29
13 RCW to read as follows:

14 (1) The county treasurer must post a notice describing the:

15 (a) Property tax exemption program pursuant to RCW 84.36.379
16 through 84.36.389; and

17 (b) Property tax deferral program pursuant to chapter 84.38 RCW.

18 (2) The notice required under subsection (1) of this section must
19 be posted in a location visible to the public.

20 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.21
21 RCW to read as follows:

22 (1) The county assessor must post a notice describing the:

23 (a) Property tax exemption program pursuant to RCW 84.36.379
24 through 84.36.389; and

25 (b) Property tax deferral program pursuant to chapter 84.38 RCW.

26 (2) The notice required under subsection (1) of this section must
27 be posted in a location visible to the public.

28 NEW SECTION. **Sec. 8.** This act takes effect January 1, 2020."

E2SHB 1105 - S AMD 541
By Senator Short

29 On page 1, line 1 of the title, after "foreclosure," ~~strike the~~ **ADOPTED 04/11/2019**
30 remainder of the title and insert "amending RCW 84.56.020, 84.64.225,
31 36.35.110, and 84.64.050; adding a new section to chapter 84.56 RCW;

1 adding a new section to chapter 36.29 RCW; adding a new section to
2 chapter 36.21 RCW; and providing an effective date."

EFFECT: Removes the provision eliminating penalties that accrue on unpaid property tax. Provides that the county assessor may, rather than must, assist taxpayers in applying for the property tax exemption available to senior citizens and service-connected disabled veterans or in applying for the property tax deferral program for retired persons, if the taxpayer requests assistance for payment of current year or delinquent taxes. Provides that the county assessor must refer the taxpayer to the statewide foreclosure hotline recommended by the Washington State Housing Finance Commission, rather than a homeownership resource center, if the taxpayer requests assistance for payment of current year or delinquent taxes. Requires that payments on past due taxes must include collection of the oldest delinquent year, which includes interest, penalties, and taxes within an 18-month period, prior to filing a certificate of delinquency, as opposed to a 12-month period. Requires the county treasurer to waive all outstanding interest and penalties on delinquent taxes for one time only, if the property is subject to foreclosure, and the taxpayer is income-qualified under the \$40,000 threshold for the tax exemption available to senior citizens and service-connected disabled veterans, and the taxpayer occupies the property as their principal place of residence.

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