

SHB 1410 - H AMD 324

By Representative Orwall

ADOPTED 03/05/2021

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

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4 "Sec. 1. RCW 84.56.020 and 2019 c 332 s 1 are each amended to
5 read as follows:

6 **Treasurers' tax collection duties.**

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
10 purposes, and also of all fines, forfeitures or penalties received
11 by any person or officer for the use of his or her county. No
12 treasurer may accept tax payments or issue receipts for the same
13 until the treasurer has completed the tax roll for the current
14 year's collection and provided notification of the completion of the
15 roll. Notification may be accomplished electronically, by posting a
16 notice in the office, or through other written communication as
17 determined by the treasurer. All 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
20 of April and, except as provided in this section, are delinquent
21 after that date.

22 **Tax statements.**

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

25 (i) All city and other taxing district budgets have been
26 submitted to county legislative authorities by November 30th per RCW
27 84.52.020;

1 (ii) The county legislative authority in turn has certified
2 taxes levied to the county assessor by November 30th per RCW
3 84.52.070; and

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

6 (b) Each tax statement must include a notice that checks for
7 payment of taxes may be made payable to "Treasurer of
8 County" or other appropriate office, but tax statements may not
9 include any suggestion that checks may be made payable to the name
10 of the individual holding the office of treasurer nor any other
11 individual.

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

14 (i) Property tax exemption program pursuant to RCW 84.36.379
15 through 84.36.389; and

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

17 **Tax payment due dates.**

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

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

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

28 (4) When the total amount of tax or special assessments on any
29 lot, block or tract of real property or on any mobile home payable
30 by one person is fifty dollars or more, and if one-half of such tax
31 is paid after the thirtieth day of April but before the thirty-first
32 day of October, together with the applicable interest and penalty on
33 the full amount of tax payable for that year, the remainder of such
34

1 tax is due and payable on or before the following thirty-first day
2 of October and is delinquent after that date.

3 **Delinquent tax payments: Interest, penalties, and treasurer**
4 **duties.**

5 (5) (a) Except as provided in (c) of this subsection, delinquent
6 taxes under this section are subject to interest as provided in this
7 subsection~~((at the rate of twelve percent per annum))~~ computed on a
8 monthly basis on the amount of tax delinquent from the date of
9 delinquency until paid. Interest must be calculated at the rate in
10 effect at the time of the tax payment, regardless of when the taxes
11 were first delinquent. Interest rates are:

12 (i) Twelve percent per annum for all non-residential real
13 property and for residential real property with greater than four
14 units per taxable parcel; or

15 (ii) Nine percent per annum for all residential real property
16 with four or fewer units per taxable parcel.

17 (b) In addition, delinquent taxes under this section are subject
18 to penalties as follows:

19 ~~((a) A))~~ (i) For non-residential real property and for
20 residential real property with greater than four units per taxable
21 parcel, a penalty of three percent of the amount of tax delinquent
22 is assessed on the tax delinquent on June 1st of the year in which
23 the tax is due.

24 ~~((b) An))~~ (ii) For non-residential real property and for
25 residential real property with greater than four units per taxable
26 parcel, an additional penalty of eight percent is assessed on the
27 delinquent tax amount on December 1st of the year in which the tax
28 is due.

29 (iii) For residential real property with four or fewer units per
30 taxable parcel, no penalties may be assessed.

31 (c) (i) If a taxpayer is successfully participating in a payment
32 agreement under subsection (15)(b) of this section or a partial
33 payment program pursuant to subsection (15)(c) of this section, the
34 county treasurer may not assess additional penalties on delinquent

1 taxes 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 (ii) The following remain due and payable as provided in any
5 payment agreement:

6 (A) Interest that has been assessed prior to the payment
7 agreement; and

8 (B) Penalties assessed prior to the effective date of this act
9 that have been assessed prior to the payment agreement.

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

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

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

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

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

28 **Collection of foreclosure costs.**

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

32 (b) When tax foreclosure avoidance costs are collected, such
33 costs must be credited to the county treasurer service fund account,
34 except as otherwise directed.

1 (c) For purposes of chapter 84.64 RCW, any taxes, interest, or
2 penalties deemed delinquent under this section remain delinquent
3 until such time as all taxes, interest, and penalties for the tax
4 year in which the taxes were first due and payable have been paid in
5 full.

6 **Periods of armed conflict.**

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

14 **State of emergency.**

15 (10) During a state of emergency declared under RCW
16 43.06.010(12), the county treasurer, on his or her own motion or at
17 the request of any taxpayer affected by the emergency, may grant
18 extensions of the due date of any taxes payable under this section
19 as the treasurer deems proper.

20 **Retention of funds from interest.**

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

23 (12) For purposes of this chapter, "interest" means both
24 interest and penalties.

25 **Retention of funds from property foreclosures and sales.**

26 (13) The direct cost of foreclosure and sale of real property,
27 and the direct fees and costs of distraint and sale of personal
28 property, for delinquent taxes, must, when collected, be credited to
29 the operation and maintenance fund of the county treasurer
30 prosecuting the foreclosure or distraint or sale; and must be used
31 by the county treasurer as a revolving fund to defray the cost of
32 further foreclosure, distraint, and sale because of delinquent taxes
33 without regard to budget limitations and not subject to indirect
34 costs of other charges.

1 **Tax due dates and options for tax payment collections.**

2 **Electronic billings and payments.**

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

11 (a) Delinquent tax year payments; and

12 (b) Prepayments of current tax.

13 **Tax payments.**

14 **Prepayment for current taxes.**

15 (15)(a) The treasurer may accept prepayments for current year
16 taxes by any means authorized. All prepayments must be paid in full
17 by the due date specified in subsection (16) of this section.

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

19 (b)(i) The treasurer may provide, by electronic means or
20 otherwise, a payment agreement that provides for payment of current
21 year taxes, inclusive of prepayment collection charges. The payment
22 agreement must be signed by the taxpayer and treasurer or the
23 treasurer's deputy prior to the sending of an electronic or
24 alternative bill, which includes a payment plan for current year
25 taxes.

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

27 (ii)(A) The treasurer may provide, by electronic means or
28 otherwise, a payment agreement for payment of past due
29 delinquencies. The payment agreement must be signed by the taxpayer
30 and treasurer or the treasurer's deputy prior to the sending of an
31 electronic or alternative bill, which includes a payment plan for
32 past due delinquent taxes and charges.

33 (B) Tax payments received by a treasurer for delinquent year
34 taxes from a taxpayer participating on a payment agreement must be

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

3 **Partial payments: Acceptance of partial payments for current and**
4 **delinquent taxes.**

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

9 (ii) All tax payments received by a treasurer for delinquent
10 year taxes from a taxpayer paying a partial payment must be applied
11 first to the oldest delinquent year unless such taxpayer requests
12 otherwise.

13 **Payment for delinquent taxes.**

14 (d) Payments on past due taxes must include collection of the
15 oldest delinquent year, which includes interest, penalties, and
16 taxes within an eighteen-month period, prior to filing a certificate
17 of delinquency under chapter 84.64 RCW or distraint pursuant to RCW
18 84.56.070.

19 **Due date for tax payments.**

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

27 **Electronic funds transfers.**

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

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

31 (b) Any past due property taxes, penalties, and interest under
32 this chapter by electronic funds transfers on a monthly or other
33 periodic basis. Delinquent taxes are subject to interest and
34 penalties, as provided in subsection (5) of this section. All tax

1 payments received by a treasurer from a taxpayer paying delinquent
2 year taxes must be applied first to the oldest delinquent year
3 unless such taxpayer requests otherwise.

4 **Payment for administering prepayment collections.**

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

10 **Waiver of interest and penalties for qualified taxpayers subject**
11 **to foreclosure.**

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

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

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

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

23 **Definitions.**

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

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

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

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

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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

EFFECT: Maintains interest on delinquent property taxes at 12% for non-residential property and for residential property with greater than 4 units per taxable parcel. Reduces interest on delinquent property taxes to 9% for residential property with 4 or fewer units. Maintains current law penalties on delinquent property taxes for non-residential property and for residential property with greater than 4 units per taxable parcel.

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