

SHB 1904 - H AMD 929

By Representative Caldier

1 On page 14, after line 17, insert the following:

2 **"Sec. 7.** RCW 84.56.020 and 2021 c 257 s 1, 2021 c 122 s 15, and
3 2021 c 42 s 3 are each reenacted and amended to read as follows:

4 **Treasurers' tax collection duties.**

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

20 **Tax statements.**

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

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

26 (ii) The county legislative authority in turn has certified taxes
27 levied to the county assessor in accordance with RCW 84.52.070; and

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

30 (b) Each tax statement must include a notice that checks for
31 payment of taxes may be made payable to "Treasurer of
32 County" or other appropriate office, but tax statements may not

1 include any suggestion that checks may be made payable to the name of
2 the individual holding the office of treasurer nor any other
3 individual.

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

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

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

9 **Tax payment due dates.**

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

12 (3) When the total amount of tax or special assessments on
13 personal property or on any lot, block or tract of real property
14 payable by one person is (~~(fifty dollars)~~) \$50 or more, and if one-
15 half of such tax is paid on or before the (~~(thirtieth)~~) 30th day of
16 April, the remainder of such tax is due and payable on or before the
17 following (~~(thirty-first)~~) 31st day of October and is delinquent
18 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, personal property, or on any
23 mobile home payable by one person is (~~(fifty dollars)~~) \$50 or more,
24 and if one-half of such tax is paid after the (~~(thirtieth)~~) 30th day
25 of April but before the (~~(thirty-first)~~) 31st day of October,
26 together with the applicable interest and penalty on the full amount
27 of tax payable for that year, the remainder of such tax is due and
28 payable on or before the following (~~(thirty-first)~~) 31st day of
29 October and is delinquent after that date.

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

32 (5) (a) Except as provided in (c) of this subsection, delinquent
33 taxes under this section are subject to interest as provided in this
34 subsection computed on a monthly basis on the amount of tax
35 delinquent from the date of delinquency until paid. Interest must be
36 calculated at the rate in effect at the time of the tax payment,
37 regardless of when the taxes were first delinquent.

38 (i) Until December 31, 2022, the interest rate is 12 percent per
39 annum for all nonresidential real property and residential real
40 property.

1 (ii) Beginning January 1, 2023, interest rates are as follows:

2 (A) Twelve percent per annum for all nonresidential real property
3 and for residential real property with greater than four units per
4 taxable parcel; or

5 (B) Nine percent per annum for all residential real property with
6 four or fewer units per taxable parcel, including manufactured/mobile
7 homes as defined in RCW 59.20.030.

8 (b)(i) Penalties on delinquent taxes under this section may not
9 be assessed beginning January 1, 2022, and through December 31, 2022.

10 (ii) Beginning January 1, 2023, delinquent taxes under this
11 section are subject to penalties for nonresidential real property and
12 for residential real property with greater than four units per
13 taxable parcel as follows:

14 (A) A penalty of three percent of the amount of tax delinquent is
15 assessed on the tax delinquent on June 1st of the year in which the
16 tax is due.

17 (B) An additional penalty of eight percent is assessed on the
18 delinquent tax amount on December 1st of the year in which the tax is
19 due.

20 (iii) Penalties may not be assessed on residential real property
21 with four or fewer units per taxable parcel, including manufactured/
22 mobile homes as defined in RCW 59.20.030.

23 (c)(i) If a taxpayer is successfully participating in a payment
24 agreement under subsection (15)(b) of this section or a partial
25 payment program pursuant to subsection (15)(c) of this section, the
26 county treasurer may not assess additional penalties on delinquent
27 taxes that are included within the payment agreement. Interest and
28 penalties that have been assessed prior to the payment agreement
29 remain due and payable as provided in the payment agreement.

30 (ii) The following remain due and payable as provided in any
31 payment agreement:

32 (A) Interest that has been assessed prior to the payment
33 agreement; and

34 (B) Penalties assessed prior to January 1, 2022, that have been
35 assessed prior to the payment agreement.

36 (d) If a taxpayer submits documentation that a property is a
37 rental property for which the tenants have failed to pay rent, will
38 not vacate, or have otherwise frustrated the ability of the landlord
39 to pay property taxes, the county treasurer may not assess penalties
40 on any delinquent taxes for the property.

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

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

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

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

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

19 **Collection of foreclosure costs.**

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

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

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

31 **Periods of armed conflict.**

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

39 **State of emergency.**

1 (10) During a state of emergency declared under RCW
2 43.06.010(12), the county treasurer, on his or her own motion or at
3 the request of any taxpayer affected by the emergency, may grant
4 extensions of the due date of any taxes payable under this section as
5 the treasurer deems proper.

6 **Retention of funds from interest.**

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

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

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

12 (13) The direct cost of foreclosure and sale of real property,
13 and the direct fees and costs of distraint and sale of personal
14 property, for delinquent taxes, must, when collected, be credited to
15 the operation and maintenance fund of the county treasurer
16 prosecuting the foreclosure or distraint or sale; and must be used by
17 the county treasurer as a revolving fund to defray the cost of
18 further foreclosure, distraint, and sale because of delinquent taxes
19 without regard to budget limitations and not subject to indirect
20 costs of other charges.

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

22 **Electronic billings and payments.**

23 (14) For purposes of this chapter, and in accordance with this
24 section and RCW 36.29.190, the treasurer may collect taxes,
25 assessments, fees, rates, interest, and charges by electronic billing
26 and payment. Electronic billing and payment may be used as an option
27 by the taxpayer, but the treasurer may not require the use of
28 electronic billing and payment. Electronic bill presentment and
29 payment may be on a monthly or other periodic basis as the treasurer
30 deems proper for:

- 31 (a) Delinquent tax year payments; and
- 32 (b) Prepayments of current tax.

33 **Tax payments.**

34 **Prepayment for current taxes.**

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

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

39 (b)(i) The treasurer may provide, by electronic means or
40 otherwise, a payment agreement that provides for payment of current

1 year taxes, inclusive of prepayment collection charges. The payment
2 agreement must be signed by the taxpayer and treasurer or the
3 treasurer's deputy prior to the sending of an electronic or
4 alternative bill, which includes a payment plan for current year
5 taxes.

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

7 (ii)(A) The treasurer may provide, by electronic means or
8 otherwise, a payment agreement for payment of past due delinquencies.
9 The payment agreement must be signed by the taxpayer and treasurer or
10 the treasurer's deputy prior to the sending of an electronic or
11 alternative bill, which includes a payment plan for past due
12 delinquent taxes and charges.

13 (B) Tax payments received by a treasurer for delinquent year
14 taxes from a taxpayer participating on a payment agreement must be
15 applied first to the oldest delinquent year unless such taxpayer
16 requests otherwise.

17 **Partial payments: Acceptance of partial payments for current and**
18 **delinquent taxes.**

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

23 (ii) All tax payments received by a treasurer for delinquent year
24 taxes from a taxpayer paying a partial payment must be applied first
25 to the oldest delinquent year unless such taxpayer requests
26 otherwise.

27 **Payment for delinquent taxes.**

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

33 **Due date for tax payments.**

34 (16) All taxes upon real and personal property made payable by
35 the provisions of this title are due and payable to the treasurer on
36 or before the (~~thirtieth~~) 30th day of April and are delinquent
37 after that date. The remainder of the tax is due and payable on or
38 before the following (~~thirty-first~~) 31st day of October and is
39 delinquent after that date. All other assessments, fees, rates, and
40 charges are delinquent after the due date.

1 **Electronic funds transfers.**

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

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

5 (b) Any past due property taxes, penalties, and interest under
6 this chapter by electronic funds transfers on a monthly or other
7 periodic basis. Delinquent taxes are subject to interest and
8 penalties, as provided in subsection (5) of this section. All tax
9 payments received by a treasurer from a taxpayer paying delinquent
10 year taxes must be applied first to the oldest delinquent year unless
11 such taxpayer requests otherwise.

12 **Payment for administering prepayment collections.**

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

18 **Waiver of interest and penalties for qualified taxpayers subject**
19 **to foreclosure.**

20 (19) No earlier than (~~sixty~~) 60 days prior to the date that is
21 three years after the date of delinquency, the treasurer must waive
22 all outstanding interest and penalties on delinquent taxes due from a
23 taxpayer if the property is subject to an action for foreclosure
24 under chapter 84.64 RCW and the following requirements are met:

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

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

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

31 **Definitions.**

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

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

38 (b) "Internet" has the same meaning as provided in RCW
39 19.270.010.

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

4 (i) Compensation of employees for the time devoted to
5 administering the avoidance of property foreclosure; and

6 (ii) The cost of materials, services, or equipment acquired,
7 consumed, or expended in administering tax foreclosure avoidance
8 prior to the filing of a certificate of delinquency."

9 Correct the title.

EFFECT: Prohibits the county treasurer from imposing penalties on delinquent property taxes if the taxpayer submits documentation that the property is a rental property for which the tenants have failed to pay rent, will not vacate, or have otherwise frustrated the ability of the landlord to pay property taxes.

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