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**SUBSTITUTE HOUSE BILL 1309**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Finance (originally sponsored by Representatives Eslick, Ramel, Paul, and Lekanoff)

READ FIRST TIME 02/05/21.

1 AN ACT Relating to the dates of certification of levies; amending  
2 RCW 84.52.070 and 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.** It is the intent of the legislature to  
5 align the statutory dates by which the county legislative authority  
6 must certify property tax levies and adopt the county budget. State  
7 law currently provides dates by which the county legislative  
8 authority must take these two actions that do not align, making  
9 county compliance difficult, if not impossible. It is the intent of  
10 the legislature to correct this situation by providing a timeline  
11 that can be implemented by county officials without negatively  
12 impacting junior taxing districts.

13 **Sec. 2.** RCW 84.52.070 and 2017 3rd sp.s. c 13 s 307 are each  
14 amended to read as follows:

15 (1) It is the duty of the county legislative authority of each  
16 county, on or before the (~~thirtieth day of November~~) 15th day of  
17 December in each year, to certify to the county assessor the amount  
18 of taxes levied upon the property in the county for county purposes,  
19 and on or before the first Monday in December the respective amounts

1 of taxes levied by the board for each taxing district, within or  
2 coextensive with the county, for district purposes.

3 (2) It is the duty of the council of each city having a  
4 population of three hundred thousand or more, and of the council of  
5 each town, and of all officials or boards of taxing districts within  
6 or coextensive with the county, authorized by law to levy taxes  
7 directly and not through the county legislative authority, on or  
8 before the thirtieth day of November in each year, to certify to the  
9 county assessor the amount of taxes levied upon the property within  
10 the city, town, or district for city, town, or district purposes.

11 (3) If a levy amount is certified to the county assessor after  
12 the (~~thirtieth day of November~~) applicable deadline in subsection  
13 (1) or (2) of this section, the county assessor may use no more than  
14 the certified levy amount for the previous year for the taxing  
15 district. This subsection (3) does not apply to state levies or when  
16 the assessor has not certified assessed values as required by RCW  
17 84.48.130 at least twelve working days before November 30th.

18 **Sec. 3.** RCW 84.56.020 and 2019 c 332 s 1 are each amended to  
19 read as follows:

20 **Treasurers' tax collection duties.**

21 (1) The county treasurer must be the receiver and collector of  
22 all taxes extended upon the tax rolls of the county, whether levied  
23 for state, county, school, bridge, road, municipal or other purposes,  
24 and also of all fines, forfeitures or penalties received by any  
25 person or officer for the use of his or her county. No treasurer may  
26 accept tax payments or issue receipts for the same until the  
27 treasurer has completed the tax roll for the current year's  
28 collection and provided notification of the completion of the roll.  
29 Notification may be accomplished electronically, by posting a notice  
30 in the office, or through other written communication as determined  
31 by the treasurer. All real and personal property taxes and  
32 assessments made payable by the provisions of this title are due and  
33 payable to the county treasurer on or before the thirtieth day of  
34 April and, except as provided in this section, are delinquent after  
35 that date.

36 **Tax statements.**

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

1 (i) All city and other taxing district budgets have been  
2 submitted to county legislative authorities by November 30th per RCW  
3 84.52.020;

4 (ii) The county legislative authority in turn has certified taxes  
5 levied to the county assessor (~~((by November 30th per))~~) in accordance  
6 with RCW 84.52.070; and

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

9 (b) 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  
12 include any suggestion that checks may be made payable to the name of  
13 the individual holding the office of treasurer nor any other  
14 individual.

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

17 (i) Property tax exemption program pursuant to RCW 84.36.379  
18 through 84.36.389; and

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

20 **Tax payment due dates.**

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

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

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

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

39 **Delinquent tax payments: Interest, penalties, and treasurer**  
40 **duties.**

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

9 (a) A penalty of three percent of the amount of tax delinquent is  
10 assessed on the tax delinquent on June 1st of the year in which the  
11 tax is due.

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

15 (c) If a taxpayer is successfully participating in a payment  
16 agreement under subsection (15)(b) of this section or a partial  
17 payment program pursuant to subsection (15)(c) of this section, the  
18 county treasurer may not assess additional penalties on delinquent  
19 taxes that are included within the payment agreement. Interest and  
20 penalties that have been assessed prior to the payment agreement  
21 remain due and payable as provided in the payment agreement.

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

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

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

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

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

40 **Collection of foreclosure costs.**

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

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

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

12 **Periods of armed conflict.**

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

20 **State of emergency.**

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

26 **Retention of funds from interest.**

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

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

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

32 (13) The direct cost of foreclosure and sale of real property,  
33 and the direct fees and costs of distraint and sale of personal  
34 property, for delinquent taxes, must, when collected, be credited to  
35 the operation and maintenance fund of the county treasurer  
36 prosecuting the foreclosure or distraint or sale; and must be used by  
37 the county treasurer as a revolving fund to defray the cost of  
38 further foreclosure, distraint, and sale because of delinquent taxes  
39 without regard to budget limitations and not subject to indirect  
40 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 billing  
6 and payment. Electronic billing and payment may be used as an option  
7 by the taxpayer, but the treasurer may not require the use of  
8 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 delinquencies.  
29 The payment agreement must be signed by the taxpayer and treasurer or  
30 the treasurer's deputy prior to the sending of an electronic or  
31 alternative bill, which includes a payment plan for past due  
32 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  
35 applied first to the oldest delinquent year unless such taxpayer  
36 requests otherwise.

37       **Partial payments: Acceptance of partial payments for current and**  
38 **delinquent taxes.**

39       (c)(i) In addition to the payment agreement program in (b) of  
40 this subsection, the treasurer may accept partial payment of any

1 current and delinquent taxes including interest and penalties by any  
2 means authorized including electronic bill presentment and payments.

3 (ii) All tax payments received by a treasurer for delinquent year  
4 taxes from a taxpayer paying a partial payment must be applied first  
5 to the oldest delinquent year unless such taxpayer requests  
6 otherwise.

7 **Payment for delinquent taxes.**

8 (d) Payments on past due taxes must include collection of the  
9 oldest delinquent year, which includes interest, penalties, and taxes  
10 within an eighteen-month period, prior to filing a certificate of  
11 delinquency under chapter 84.64 RCW or distraint pursuant to RCW  
12 84.56.070.

13 **Due date for tax payments.**

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

21 **Electronic funds transfers.**

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

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

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

32 **Payment for administering prepayment collections.**

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

38 **Waiver of interest and penalties for qualified taxpayers subject**  
39 **to foreclosure.**

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

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

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

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

12 **Definitions.**

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

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

19 (b) "Internet" has the same meaning as provided in RCW  
20 19.270.010.

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

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

26 (ii) The cost of materials, services, or equipment acquired,  
27 consumed, or expended in administering tax foreclosure avoidance  
28 prior to the filing of a certificate of delinquency.

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