
SUBSTITUTE SENATE BILL 5714

State of Washington

68th Legislature

2023 Regular Session

By Senate Local Government, Land Use & Tribal Affairs (originally sponsored by Senators Wagoner and L. Wilson)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to payments made for property taxes or special
2 assessments by an automated check processing service; and amending
3 RCW 84.56.020.

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

5 **Sec. 1.** RCW 84.56.020 and 2022 c 143 s 1 are each amended to
6 read as follows:

7 **Treasurers' tax collection duties.**

8 (1) The county treasurer must be the receiver and collector of
9 all taxes extended upon the tax rolls of the county, whether levied
10 for state, county, school, bridge, road, municipal or other purposes,
11 and also of all fines, forfeitures or penalties received by any
12 person or officer for the use of his or her county. No treasurer may
13 accept tax payments or issue receipts for the same until the
14 treasurer has completed the tax roll for the current year's
15 collection and provided notification of the completion of the roll.
16 Notification may be accomplished electronically, by posting a notice
17 in the office, or through other written communication as determined
18 by the treasurer. All real and personal property taxes and
19 assessments made payable by the provisions of this title are due and
20 payable to the county treasurer on or before the (~~thirtieth~~) 30th

1 day of April and, except as provided in this section, are delinquent
2 after that date.

3 **Tax statements.**

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

6 (i) All city and other taxing district budgets have been
7 submitted to county legislative authorities by November 30th per RCW
8 84.52.020;

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

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

13 (b) Each tax statement must include a notice that checks for
14 payment of taxes may be made payable to "Treasurer of
15 County" or other appropriate office, but tax statements may not
16 include any suggestion that checks may be made payable to the name of
17 the individual holding the office of treasurer nor any other
18 individual.

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

21 (i) Property tax exemption program pursuant to RCW 84.36.379
22 through 84.36.389; and

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

24 **Tax payment due dates.**

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

27 (3) (a) When the total amount of tax or special assessments on
28 personal property or on any lot, block or tract of real property
29 payable by one person is (~~(fifty dollars)~~) \$50 or more, and if one-
30 half of such tax is paid on or before the (~~(thirtieth)~~) 30th day of
31 April, the remainder of such tax is due and payable on or before the
32 following (~~(thirty-first)~~) 31st day of October and is delinquent
33 after that date.

34 (b) Payments generated by an automated check processing service
35 or payments with no discernable postmark date and received within
36 three business days of the 30th day of April or the 31st day of
37 October, as required under (a) of this subsection, are not
38 delinquent.

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

1 (4) (a) When the total amount of tax or special assessments on any
2 lot, block or tract of real property, personal property, or on any
3 mobile home payable by one person is (~~(fifty dollars)~~) \$50 or more,
4 and if one-half of such tax is paid after the (~~(thirtieth)~~) 30th day
5 of April but before the (~~(thirty-first)~~) 31st day of October,
6 together with the applicable interest and penalty on the full amount
7 of tax payable for that year, the remainder of such tax is due and
8 payable on or before the following (~~(thirty-first)~~) 31st day of
9 October and is delinquent after that date.

10 (b) Payments generated by an automated check processing service
11 or payments with no discernable postmark date and received within
12 three business days of the 30th day of April or the 31st day of
13 October, as required under (a) of this subsection, are not
14 delinquent.

15 **Delinquent tax payments: Interest, penalties, and treasurer**
16 **duties.**

17 (5) (a) Except as provided in (c) of this subsection, delinquent
18 taxes under this section are subject to interest as provided in this
19 subsection computed on a monthly basis on the amount of tax
20 delinquent from the date of delinquency until paid. Interest must be
21 calculated at the rate as described below.

22 (i) Until December 31, 2022, the interest rate is 12 percent per
23 annum for all nonresidential real property, residential real
24 property, and personal property.

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

26 (A) Nine percent per annum for all residential real property with
27 four or fewer units per taxable parcel, including manufactured/mobile
28 homes as defined in RCW 59.20.030 for taxes levied in 2023 or after;
29 or

30 (B) Twelve percent per annum for all other property.

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

33 (ii) Beginning January 1, 2023, delinquent taxes under this
34 section are subject to penalties for nonresidential real property,
35 residential real property with greater than four units per taxable
36 parcel, and for personal property as follows:

37 (A) A penalty of three percent of the amount of tax delinquent is
38 assessed on the tax delinquent on June 1st of the year in which the
39 tax is due.

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

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

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

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

16 (A) Interest that has been assessed prior to the payment
17 agreement; and

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

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

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

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

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

32 (7) Within (~~ninety~~) 90 days after the expiration of two years
33 from the date of delinquency (when a taxpayer's taxes have become
34 delinquent), the county treasurer must provide the name and property
35 address of the delinquent taxpayer to a homeownership resource center
36 or any other designated local or state entity recommended by the
37 Washington state housing finance commission.

38 **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~~) 30th day of April and are delinquent
17 after that date. The remainder of the tax is due and payable on or
18 before the following (~~thirty-first~~) 31st of October and is
19 delinquent after that date. All other assessments, fees, rates, and
20 charges are delinquent after 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~~)) 60 days prior to the date that is
2 three years after the date of delinquency, the treasurer must waive
3 all 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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