

---

SENATE BILL 6289

---

State of Washington

63rd Legislature

2014 Regular Session

By Senators Baumgartner and Benton

Read first time 01/20/14. Referred to Committee on Governmental Operations.

1 AN ACT Relating to allowing county treasurers to accept partial  
2 payments of property taxes in any amount at any time without previous  
3 agreement if payments are made by electronic payment and subjecting  
4 certain interest, penalties, and costs associated with delinquent  
5 property tax payments to usury limitations; amending RCW 84.56.020; and  
6 repealing RCW 19.52.140.

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

8 **Sec. 1.** RCW 84.56.020 and 2013 c 239 s 3 are each amended to read  
9 as follows:

10 (1) The county treasurer must be the receiver and collector of all  
11 taxes extended upon the tax rolls of the county, whether levied for  
12 state, county, school, bridge, road, municipal or other purposes, and  
13 also of all fines, forfeitures or penalties received by any person or  
14 officer for the use of his or her county. No treasurer may accept tax  
15 payments or issue receipts for the same until the treasurer has  
16 completed the tax roll for the current year's collection and provided  
17 notification of the completion of the roll. Notification may be  
18 accomplished electronically, by posting a notice in the office, or  
19 through other written communication as determined by the treasurer.

1 All taxes upon real and personal property made payable by the  
2 provisions of this title are due and payable to the treasurer on or  
3 before the thirtieth day of April and, except as provided in this  
4 section, shall be delinquent after that date.

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

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

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

24 (5) Except as provided in (c) of this subsection, delinquent taxes  
25 under this section are subject to interest at the rate of twelve  
26 percent per annum computed on a monthly basis on the full year amount  
27 of tax unpaid from the date of delinquency until paid. Interest must  
28 be calculated at the rate in effect at the time of payment of the tax,  
29 regardless of when the taxes were first delinquent. In addition,  
30 delinquent taxes under this section are subject to penalties as  
31 follows:

32 (a) A penalty of three percent of the full year amount of tax  
33 unpaid is assessed on the tax delinquent on June 1st of the year in  
34 which the tax is due.

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

1 (c) If a taxpayer is successfully participating in a payment  
2 agreement under subsection (11)(b) of this section, the county  
3 treasurer may not assess additional penalties on delinquent taxes that  
4 are included within the payment agreement. Interest and penalties that  
5 have been assessed prior to the payment agreement remain due and  
6 payable as provided in the payment agreement.

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

10 (b) For the purposes of this section, "tax foreclosure avoidance  
11 costs" means those costs that can be identified specifically with the  
12 administration of properties subject to and prior to foreclosure. Tax  
13 foreclosure avoidance costs include:

14 (i) Compensation of employees for the time devoted and identified  
15 specifically to administering the avoidance of property foreclosure;  
16 and

17 (ii) The cost of materials, services, or equipment acquired,  
18 consumed, or expended specifically for the purpose of administering tax  
19 foreclosure avoidance prior to the filing of a certificate of  
20 delinquency.

21 (c) When tax foreclosure avoidance costs are collected, the tax  
22 foreclosure avoidance costs must be credited to the county treasurer  
23 service fund account, except as otherwise directed.

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

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

34 (8) During a state of emergency declared under RCW 43.06.010(12),  
35 the county treasurer, on his or her own motion or at the request of any  
36 taxpayer affected by the emergency, may grant extensions of the due  
37 date of any taxes payable under this section as the treasurer deems  
38 proper.

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

3 (10) All collections of interest on delinquent taxes must be  
4 credited to the county current expense fund; but the cost of  
5 foreclosure and sale of real property, and the fees and costs of  
6 distraint and sale of personal property, for delinquent taxes, must,  
7 when collected, be credited to the operation and maintenance fund of  
8 the county treasurer prosecuting the foreclosure or distraint or sale;  
9 and must be used by the county treasurer as a revolving fund to defray  
10 the cost of further foreclosure, distraint and sale for delinquent  
11 taxes without regard to budget limitations.

12 (11)(a) For purposes of this chapter, and in accordance with this  
13 section and RCW 36.29.190, the treasurer may collect taxes,  
14 assessments, fees, rates, interest, and charges by electronic bill  
15 presentment and payment. Electronic bill presentment and payment may  
16 be utilized as an option by the taxpayer, but the treasurer may not  
17 require the use of electronic bill presentment and payment. Electronic  
18 bill presentment and payment may be on a monthly or other periodic  
19 basis as the treasurer deems proper for delinquent tax year payments  
20 only or for prepayments of current tax. All prepayments must be paid  
21 in full by the due date specified in (c) of this subsection. Payments  
22 on past due taxes must include collection of the oldest delinquent  
23 year, which includes interest and taxes within a twelve-month period,  
24 prior to filing a certificate of delinquency under chapter 84.64 RCW or  
25 distraint pursuant to RCW 84.56.070.

26 (b) The treasurer must provide, by electronic means or otherwise,  
27 a payment agreement that provides for payment of current year taxes,  
28 inclusive of prepayment collection charges. The treasurer may provide,  
29 by electronic means or otherwise, a payment agreement for payment of  
30 past due delinquencies, which must also require current year taxes to  
31 be paid timely. The payment agreement must be signed by the taxpayer  
32 and treasurer prior to the sending of an electronic or alternative  
33 bill, which includes a payment plan for current year taxes. The  
34 treasurer may also accept partial payments of current and delinquent  
35 taxes, including interest and penalties, of any amount at any time  
36 without previous agreement if made by electronic payment.

37 (c) All taxes upon real and personal property made payable by the  
38 provisions of this title are due and payable to the treasurer on or

1 before the thirtieth day of April and are delinquent after that date.  
2 The remainder of the tax is due and payable on or before the thirty-  
3 first day of October following and is delinquent after that date. All  
4 other assessments, fees, rates, and charges are delinquent after the  
5 due date.

6 (d) A county treasurer may authorize payment of past due property  
7 taxes, penalties, and interest under this chapter by electronic funds  
8 transfer payments on a monthly basis. Delinquent taxes are subject to  
9 interest and penalties, as provided in subsection (5) of this section.

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

15 (12) For purposes of this section unless the context clearly  
16 requires otherwise, the following definitions apply:

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

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

22 NEW SECTION. **Sec. 2.** RCW 19.52.140 (Chapter not applicable to  
23 interest, penalties, or costs on delinquent property taxes) and 1981 c  
24 322 s 8 are each repealed.

--- END ---