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**SUBSTITUTE SENATE BILL 6314**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Holy, King, O'Ban, Lias, Wagoner, Wilson, C., and Zeiger)

READ FIRST TIME 02/11/20.

1 AN ACT Relating to protecting taxpayers from home foreclosure;  
2 and amending RCW 84.56.020.

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

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

1       **Tax statements.**

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

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

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

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

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

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

19       (i) Property tax exemption program pursuant to RCW 84.36.379  
20 through 84.36.389; and

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

22       **Tax payment due dates.**

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

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

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

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

1 **Delinquent tax payments: Interest, penalties, and treasurer**  
2 **duties.**

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

9 (a) Except as provided in (b) of this subsection, delinquent  
10 taxes under this section are subject to penalties as follows:

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

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

17 (b) A county legislative authority may reduce or eliminate the  
18 penalties imposed under (a) of this subsection.

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

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

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

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

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

38 (7) Within ninety days after the expiration of two years from the  
39 date of delinquency (when a taxpayer's taxes have become delinquent),  
40 the county treasurer must provide the name and property address of

1 the delinquent taxpayer to a homeownership resource center or any  
2 other designated local or state entity recommended by the Washington  
3 state housing finance commission.

4 **Collection of foreclosure costs.**

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

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

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

16 **Periods of armed conflict.**

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

24 **State of emergency.**

25 (10) During a state of emergency declared under RCW  
26 43.06.010(12), the county treasurer, on his or her own motion or at  
27 the request of any taxpayer affected by the emergency, may grant  
28 extensions of the due date of any taxes payable under this section as  
29 the treasurer deems proper.

30 **Retention of funds from interest.**

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

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

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

36 (13) The direct cost of foreclosure and sale of real property,  
37 and the direct fees and costs of distraint and sale of personal  
38 property, for delinquent taxes, must, when collected, be credited to  
39 the operation and maintenance fund of the county treasurer  
40 prosecuting the foreclosure or distraint or sale; and must be used by

1 the county treasurer as a revolving fund to defray the cost of  
2 further foreclosure, distraint, and sale because of delinquent taxes  
3 without regard to budget limitations and not subject to indirect  
4 costs of other charges.

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

6 **Electronic billings and payments.**

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

15 (a) Delinquent tax year payments; and

16 (b) Prepayments of current tax.

17 **Tax payments.**

18 **Prepayment for current taxes.**

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

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

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

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

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

37 (B) Tax payments received by a treasurer for delinquent year  
38 taxes from a taxpayer participating on a payment agreement must be  
39 applied first to the oldest delinquent year unless such taxpayer  
40 requests otherwise.

1           **Partial payments: Acceptance of partial payments for current and**  
2 **delinquent taxes.**

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

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

11           **Payment for delinquent taxes.**

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

17           **Due date for tax payments.**

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

25           **Electronic funds transfers.**

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

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

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

36           **Payment for administering prepayment collections.**

37           (18) The treasurer must pay any collection costs, investment  
38 earnings, or both on past due payments or prepayments to the credit  
39 of a county treasurer service fund account to be created and used

1 only for the payment of expenses incurred by the treasurer, without  
2 limitation, in administering the system for collecting prepayments.

3 **Waiver of interest and penalties for qualified taxpayers subject**  
4 **to foreclosure.**

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

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

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

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

16 **Definitions.**

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

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

23 (b) "Internet" has the same meaning as provided in RCW  
24 19.270.010.

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

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

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

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