
SUBSTITUTE HOUSE BILL 2986

State of Washington 60th Legislature 2008 Regular Session

By House Finance (originally sponsored by Representatives Takko and Schindler)

READ FIRST TIME 02/11/08.

1 AN ACT Relating to property tax collection and assessment; amending
2 RCW 58.08.040, 84.40.042, 84.56.070, 86.09.490, 84.60.050, 87.03.265,
3 87.03.270, 85.08.480, 82.45.090, and 84.69.030; and creating a new
4 section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that current law
7 does not require county assessors to notify property owners of the
8 details of their property tax bill if the owner's mortgage financial
9 institution, or an intermediary of such an institution, remits the
10 owner's property taxes directly to the county treasurer. The
11 legislature further finds that for most property owners, property taxes
12 constitute a significant yearly expense. The legislature further finds
13 that property taxation should be transparent. Accordingly, the
14 legislature further finds that each property owner deserves to be
15 provided the full details of their property tax bill.

16 (2) To promote transparency and full disclosure of property tax
17 information, it is the intent of the legislature that the Washington
18 state association of county treasurers and Washington state association
19 of county assessors convene a work group made up of county treasurers

1 and assessors and representatives of financial institutions that engage
2 in the collection and payment of property taxes on behalf of property
3 owners. The work group is requested to develop a method to provide all
4 property owners with detailed information about the property owner's
5 property tax bill. The work group should present its findings and
6 recommendations to the fiscal committees of the legislature by December
7 1, 2009. The findings and recommendations should include a plan for
8 implementation of any recommendations by 2010.

9 **Sec. 2.** RCW 58.08.040 and 1997 c 393 s 11 are each amended to read
10 as follows:

11 Prior to any person recording a plat, replat, altered plat, or
12 binding site plan subsequent to May 31st in any year and prior to the
13 date of the (~~collection of taxes~~) completion of the tax roll for
14 collection in the ensuing year, the person shall deposit with the
15 county treasurer a sum equal to the product of the county assessor's
16 latest valuation on the property less improvements in such subdivision
17 multiplied by the current year's dollar rate increased by twenty-five
18 percent on the property platted. The treasurer's receipt shall be
19 evidence of the payment. The treasurer shall appropriate so much of
20 the deposit as will pay the taxes and assessments on the property when
21 the levy rates are certified by the assessor using the value of the
22 property at the time of filing a plat, replat, altered plat, or binding
23 site plan, and in case the sum deposited is in excess of the amount
24 necessary for the payment of the taxes and assessments, the treasurer
25 shall return, to the party depositing, the amount of excess.

26 **Sec. 3.** RCW 84.40.042 and 2002 c 168 s 8 are each amended to read
27 as follows:

28 (1) When real property is divided in accordance with chapter 58.17
29 RCW, the assessor shall carefully investigate and ascertain the true
30 and fair value of each lot and assess each lot on that same basis,
31 unless specifically provided otherwise by law. For purposes of this
32 section, "lot" has the same definition as in RCW 58.17.020.

33 (a) For each lot on which an advance tax deposit has been paid in
34 accordance with RCW 58.08.040, the assessor shall establish the true
35 and fair value by October 30 of the year following the recording of the
36 plat, replat, altered plat, or binding site plan. The value

1 established shall be the value of the lot as of January 1 of the year
2 the original parcel of real property was last revalued. An additional
3 property tax shall not be due on the land until the calendar year
4 following the year for which the advance tax deposit was paid if the
5 deposit was sufficient to pay the full amount of the taxes due on the
6 property.

7 (b) For each lot on which an advance tax deposit has not been paid,
8 the assessor shall establish the true and fair value not later than the
9 calendar year following the recording of the plat, map, subdivision, or
10 replat. For purposes of this section, "subdivision" means a division
11 of land into two or more lots.

12 (c) For each subdivision, all current year and delinquent taxes and
13 assessments on the entire tract must be paid in full in accordance with
14 RCW 58.17.160 and 58.08.030 except when property is being acquired by
15 a government for public use. For purposes of this section, "current
16 year taxes" means taxes that are collectible under RCW 84.56.010
17 subsequent to ~~((February 14))~~ completing the tax roll for current year
18 collection.

19 (2) When the assessor is required by law to segregate any part or
20 parts of real property, assessed before or after July 27, 1997, as one
21 parcel or when the assessor is required by law to combine parcels of
22 real property assessed before or after July 27, 1997, as two or more
23 parcels, the assessor shall carefully investigate and ascertain the
24 true and fair value of each part or parts of the real property and each
25 combined parcel and assess each part or parts or each combined parcel
26 on that same basis.

27 **Sec. 4.** RCW 84.56.070 and 2007 c 295 s 5 are each amended to read
28 as follows:

29 ~~((On the fifteenth day of February succeeding the levy of taxes,))~~
30 The county treasurer shall proceed to collect all personal property
31 taxes after first completing the tax roll for the current year's
32 collection. The treasurer shall give notice by mail to all persons
33 charged with personal property taxes, and if such taxes are not paid
34 before they become delinquent, the treasurer shall forthwith proceed to
35 collect the same. In the event that he or she is unable to collect the
36 same when due, the treasurer shall prepare papers in distraint, which
37 shall contain a description of the personal property, the amount of

1 taxes, the amount of the accrued interest at the rate provided by law
2 from the date of delinquency, and the name of the owner or reputed
3 owner. The treasurer shall without demand or notice distraint
4 sufficient goods and chattels belonging to the person charged with such
5 taxes to pay the same, with interest at the rate provided by law from
6 the date of delinquency, together with all accruing costs, and shall
7 proceed to advertise the same by posting written notices in three
8 public places in the county in which such property has been distrained,
9 one of which places shall be at the county court house, such notice to
10 state the time when and place where such property will be sold. The
11 county treasurer, or the treasurer's deputy, shall tax the same fees
12 for making the distraint and sale of goods and chattels for the payment
13 of taxes as are allowed by law to sheriffs for making levy and sale of
14 property on execution; traveling fees to be computed from the county
15 seat of the county to the place of making distraint. If the taxes for
16 which such property is distrained, and the interest and costs accruing
17 thereon, are not paid before the date appointed for such sale, which
18 shall be not less than ten days after the taking of such property, such
19 treasurer or treasurer's designee shall proceed to sell such property
20 at public auction, or so much thereof as shall be sufficient to pay
21 such taxes, with interest and costs, and if there be any excess of
22 money arising from the sale of any personal property, the treasurer
23 shall pay such excess less any cost of the auction to the owner of the
24 property so sold or to his or her legal representative: PROVIDED, That
25 whenever it shall become necessary to distraint any standing timber
26 owned separately from the ownership of the land upon which the same may
27 stand, or any fish trap, pound net, reef net, set net or drag seine
28 fishing location, or any other personal property as the treasurer shall
29 determine to be incapable or reasonably impracticable of manual
30 delivery, it shall be deemed to have been distrained and taken into
31 possession when the treasurer shall have, at least thirty days before
32 the date fixed for the sale thereof, filed with the auditor of the
33 county wherein such property is located a notice in writing reciting
34 that the treasurer has distrained such property, describing it, giving
35 the name of the owner or reputed owner, the amount of the tax due, with
36 interest, and the time and place of sale; a copy of the notice shall
37 also be sent to the owner or reputed owner at his last known address,
38 by registered letter at least thirty days prior to the date of sale:

1 AND PROVIDED FURTHER, That if the county treasurer has reasonable
2 grounds to believe that any personal property, including mobile homes,
3 manufactured homes, or park model trailers, upon which taxes have been
4 levied, but not paid, is about to be removed from the county where the
5 same has been assessed, or is about to be destroyed, sold or disposed
6 of, the county treasurer may demand such taxes, without the notice
7 provided for in this section, and if necessary may forthwith distrain
8 sufficient goods and chattels to pay the same.

9 **Sec. 5.** RCW 86.09.490 and 1937 c 72 s 164 are each amended to read
10 as follows:

11 The assessment upon real property shall be a lien against the
12 property assessed, from and after the first day of January in the year
13 in which the assessment becomes due and payable, but as between grantor
14 and grantee such lien shall not attach until the (~~fifteenth day of~~
15 ~~February of such year, which~~) county treasurer has completed the
16 property tax roll for the current year's collection and provided the
17 notification required by RCW 84.56.020. The lien shall be paramount
18 and superior to any other lien theretofore or thereafter created,
19 whether by mortgage or otherwise, except a lien for undelinquent flood
20 control district assessments, diking or drainage, or diking or drainage
21 improvement, district assessments and for unpaid and outstanding
22 general ad valorem taxes, and such lien shall not be removed until the
23 assessments are paid or the property sold for the payment thereof as
24 provided by law.

25 **Sec. 6.** RCW 84.60.050 and 1994 c 301 s 54 are each amended to read
26 as follows:

27 (1) When real property is acquired by purchase or condemnation by
28 the state of Washington, any county or municipal corporation or is
29 placed under a recorded agreement for immediate possession and use or
30 an order of immediate possession and use pursuant to RCW 8.04.090, such
31 property shall continue to be subject to the tax lien for the years
32 prior to the year in which the property is so acquired or placed under
33 such agreement or order, of any tax levied by the state, county,
34 municipal corporation or other tax levying public body, except as is
35 otherwise provided in RCW 84.60.070.

1 (2) The lien for taxes applicable to the real property being
2 acquired or placed under immediate possession and use for the year in
3 which such real property is so acquired or placed under immediate
4 possession and use shall be for only the pro rata portion of taxes
5 allocable to that portion of the year prior to the date of execution of
6 the instrument vesting title, date of recording such agreement of
7 immediate possession and use, date of such order of immediate
8 possession and use, or date of judgment. No taxes levied or tax lien
9 on such property allocable to a period subsequent to the dates
10 identified in this subsection shall be valid and any such taxes levied
11 shall be canceled as provided in RCW 84.48.065. In the event the owner
12 has paid taxes allocable to that portion of the year subsequent to the
13 dates identified in this subsection he or she shall be entitled to a
14 pro rata refund of the amount paid on the property so acquired or
15 placed under a recorded agreement or an order of immediate possession
16 and use. If the dates identified in this subsection precede (~~February~~
17 ~~15th of~~) the completion of the property tax rolls for the current
18 year's collection in the year in which such taxes become payable, no
19 lien for such taxes shall be valid and any such taxes levied but not
20 payable shall be canceled as provided in RCW 84.48.065.

21 **Sec. 7.** RCW 87.03.265 and 1939 c 171 s 2 are each amended to read
22 as follows:

23 The assessment upon real property shall be a lien against the
24 property assessed, from and after the first day of January in the year
25 in which it is levied, but as between grantor and grantee such lien
26 shall not attach until the (~~fifteenth day of February of~~) county
27 treasurer has completed the property tax roll for the current year's
28 collection and provided the notification required by RCW 84.56.020 in
29 the year in which the assessment is payable, which lien shall be
30 paramount and superior to any other lien theretofore or thereafter
31 created, whether by mortgage or otherwise, except for a lien for prior
32 assessments, and such lien shall not be removed until the assessments
33 are paid or the property sold for the payment thereof as provided by
34 law. And the lien for the bonds of any issue shall be a preferred lien
35 to that of any subsequent issue. Also the lien for all payments due or
36 to become due under any contract with the United States, or the state
37 of Washington, accompanying which bonds of the district have not been

1 deposited with the United States or the state of Washington, as in RCW
2 87.03.140 provided, shall be a preferred lien to any issue of bonds
3 subsequent to the date of such contract.

4 **Sec. 8.** RCW 87.03.270 and 1988 c 134 s 13 are each amended to read
5 as follows:

6 The assessment roll, before its equalization and adoption, shall be
7 checked and compared as to descriptions and ownerships, with the county
8 treasurer's land rolls. On or before the fifteenth day of January in
9 each year the secretary must deliver the assessment roll or the
10 respective segregation thereof to the county treasurer of each
11 respective county in which the lands therein described are located, and
12 said assessments shall become due and payable (~~on the fifteenth day of~~
13 ~~February following~~) after the county treasurer has completed the
14 property tax roll for the current year's collection and provided the
15 notification required by RCW 84.56.020.

16 All assessments on said roll shall become delinquent on the first
17 day of May following the filing of the roll unless the assessments are
18 paid on or before the thirtieth day of April of said year: PROVIDED,
19 That if an assessment is ten dollars or more for said year and if one-
20 half of the assessment is paid on or before the thirtieth day of April,
21 the remainder shall be due and payable on or before the thirty-first
22 day of October following and shall be delinquent after that date. All
23 delinquent assessments shall bear interest at the rate of twelve
24 percent per annum, computed on a monthly basis and without compounding,
25 from the date of delinquency until paid.

26 Upon receiving the assessment roll the county treasurer shall
27 prepare therefrom an assessment book in which shall be written the
28 description of the land as it appears in the assessment roll, the name
29 of the owner or owners where known, and if assessed to the unknown
30 owners, then the word "unknown", and the total assessment levied
31 against each tract of land. Proper space shall be left in said book
32 for the entry therein of all subsequent proceedings relating to the
33 payment and collection of said assessments.

34 On or before April 1st of each year, the treasurer of the district
35 shall send a statement of assessments due. County treasurers who
36 collect irrigation district assessments may send the statement of

1 irrigation district assessments together with the statement of general
2 taxes.

3 Upon payment of any assessment the county treasurer must enter the
4 date of said payment in said assessment book opposite the description
5 of the land and the name of the person paying and give a receipt to
6 such person specifying the amount of the assessment and the amount paid
7 with the description of the property assessed.

8 It shall be the duty of the treasurer of the district to furnish
9 upon request of the owner, or any person interested, a statement
10 showing any and all assessments levied as shown by the assessment roll
11 in his office upon land described in such request. All statements of
12 irrigation district assessments covering any land in the district shall
13 show the amount of the irrigation district assessment, the dates on
14 which the assessment is due, the place of payment, and, if the property
15 was sold for delinquent assessments in a prior year, the amount of the
16 delinquent assessment and the notation "certificate issued": PROVIDED,
17 That the failure of the treasurer to render any statement herein
18 required of him shall not render invalid any assessments made by any
19 irrigation district.

20 It shall be the duty of the county treasurer of any county, other
21 than the county in which the office of the board of directors is
22 located, to make monthly remittances to the county treasurer of the
23 county in which the office of the board of directors is located
24 covering all amounts collected by him for the irrigation district
25 during the preceding month.

26 When the treasurer collects a delinquent assessment, the treasurer
27 shall collect any other amounts due by reason of the delinquency,
28 including accrued costs, which shall be deposited to the treasurer's
29 operation and maintenance fund.

30 **Sec. 9.** RCW 85.08.480 and 1933 c 125 s 2 are each amended to read
31 as follows:

32 The respective installments of assessments for construction or
33 maintenance of improvements made under the provisions of this chapter,
34 shall be collected in the same manner and shall become delinquent at
35 the same time as general taxes, certificates of delinquency shall be
36 issued, and the lien of the assessment shall be enforced by foreclosure

1 and sale of the property assessed, as in the case of general taxes, all
2 according to the laws in force on January 1, 1923, except as
3 hereinafter specifically provided.

4 The annual assessments or installments of assessments, both for
5 construction and for maintenance and repairs of the diking and/or
6 drainage system shall become due in two equal installments, one-half
7 being payable on or before (~~May~~) April 30th, and the other half on or
8 before (~~November 30th~~) October 31st; and delinquency interest thereon
9 shall run from said dates on said respective halves of said
10 assessments.

11 The rate of interest thereon after delinquency, also the rate of
12 interest borne by certificates of delinquency, shall be (~~ten~~) twelve
13 percent per annum. Certificates of delinquency for any assessment or
14 installment thereof shall be issued upon demand and payment of such
15 delinquent assessment and the fee for the same at any time after the
16 expiration of twelve months after the date of delinquency thereof. In
17 case no certificate of delinquency be issued after the expiration of
18 four years from date of delinquency of assessments for construction
19 costs, or after the expiration of two years from date of delinquency of
20 assessments for maintenance or repairs, certificates of delinquency
21 shall be issued to the county, and foreclosure thereof shall forthwith
22 be effected in the manner provided in (~~sections 11292 to 11317~~
23 ~~inclusive~~) chapter 84.64 RCW.

24 The holder of a certificate of delinquency for any drainage, diking
25 or sewerage improvement district or consolidated district assessment or
26 installment thereof may pay any delinquent general taxes upon the
27 property described therein, and may redeem any certificate of
28 delinquency for general taxes against said property and the amount so
29 paid together with interest thereon at the rate provided by law shall
30 be included in the lien of said certificate of delinquency.

31 The expense of foreclosure proceedings by the county shall be paid
32 by the districts whose liens are foreclosed: Costs of foreclosure by
33 the county or private persons as provided by law, shall be included in
34 the judgment of foreclosure.

35 **Sec. 10.** RCW 82.45.090 and 2003 c 53 s 404 are each amended to
36 read as follows:

37 (1) Except for a sale of a beneficial interest in real property

1 where no instrument evidencing the sale is recorded in the official
2 real property records of the county in which the property is located,
3 the tax imposed by this chapter shall be paid to and collected by the
4 treasurer of the county within which is located the real property which
5 was sold. In collecting the tax the treasurer shall act as agent for
6 the state. The county treasurer shall cause a (~~stamp~~) verification
7 of payment evidencing satisfaction of the lien to be affixed to the
8 instrument of sale or conveyance prior to its recording or to the real
9 estate excise tax affidavit in the case of used mobile home sales and
10 used floating home sales. A receipt issued by the county treasurer for
11 the payment of the tax imposed under this chapter shall be evidence of
12 the satisfaction of the lien imposed hereunder and may be recorded in
13 the manner prescribed for recording satisfactions of mortgages. No
14 instrument of sale or conveyance evidencing a sale subject to the tax
15 shall be accepted by the county auditor for filing or recording until
16 the tax shall have been paid and the (~~stamp~~) verification of payment
17 affixed thereto; in case the tax is not due on the transfer, the
18 instrument shall not be so accepted until suitable notation of such
19 fact has been made on the instrument by the treasurer. The county
20 treasurer shall require a verification of payment that evidences
21 satisfaction of all property tax upon a used mobile home, used
22 manufactured home, used park model mobile home, or used floating home,
23 to be affixed to any instrument of sale or conveyance thereof, or upon
24 the real estate excise tax affidavit. No real estate excise tax
25 affidavit, instrument of sale, or conveyance for a used mobile home,
26 used manufactured home, used park model mobile home, or used floating
27 home will be accepted by the county auditor for filing or recording
28 until the property tax has been paid and the verification of payment
29 affixed thereto.

30 (2) For a sale of a beneficial interest in real property where a
31 tax is due under this chapter and where no instrument is recorded in
32 the official real property records of the county in which the property
33 is located, the sale shall be reported to the department of revenue
34 within five days from the date of the sale on such returns or forms and
35 according to such procedures as the department may prescribe. Such
36 forms or returns shall be signed by both the transferor and the
37 transferee and shall be accompanied by payment of the tax due.

1 (3) Any person who intentionally makes a false statement on any
2 return or form required to be filed with the department under this
3 chapter is guilty of perjury under chapter 9A.72 RCW.

4 **Sec. 11.** RCW 84.69.030 and 1991 c 245 s 32 are each amended to
5 read as follows:

6 (~~Except in cases wherein the county legislative authority acts~~
7 ~~upon its own motion,~~) No orders for a refund under this chapter shall
8 be made except on a claim:

9 (1) Verified by the person who paid the tax, the person's guardian,
10 executor or administrator; and

11 (2) Filed with the county treasurer within three years after
12 (~~making~~) the due date of the payment sought to be refunded; and

13 (3) Stating the statutory ground upon which the refund is claimed.

--- END ---