
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-2047.10/25 10th draft
ATTY/TYPIST: CL:ajr
BRIEF DESCRIPTION: Concerning property tax reform.

1 AN ACT Relating to property tax reform by increasing funding for
2 public schools, public safety, criminal justice, community
3 protection, and other vital public services commensurate with
4 population growth and inflation, providing additional property tax
5 reductions under the senior citizen property tax relief program, and
6 making the use of state property tax revenues more transparent;
7 amending RCW 84.55.005, 84.55.100, 84.55.0101, 84.36.381, and
8 84.56.020; adding a new section to chapter 84.55 RCW; and creating
9 new sections.

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

11 **PART I**
12 **INCREASING THE PROPERTY TAX REVENUE GROWTH LIMIT**

13 NEW SECTION. **Sec. 101.** The legislature finds that the arbitrary
14 one percent limitation on the growth of property tax collections has
15 severely inhibited the ability of the state, counties, cities, and
16 special purpose districts to provide critical services in the face of
17 significant population growth and inflation.

18 Modifying the limitation on the growth of property tax
19 collections will restore the primary tool state legislators use to
20 fund public schools and the primary tool that county and city

1 governments use to fund law enforcement, the criminal justice system,
2 fire departments, and other services Washingtonians rely on.

3 **Sec. 102.** RCW 84.55.005 and 2014 c 97 s 316 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Inflation" means ~~((the percentage change in the implicit~~
8 ~~price deflator for personal consumption expenditures for the United~~
9 ~~States as published for the most recent twelve-month period by the~~
10 ~~bureau of economic analysis of the federal department of commerce by~~
11 ~~September 25th of the year before the taxes are payable;)) the annual~~
12 percentage increase in the consumer price index for all urban
13 consumers in the western region for all items as provided in the most
14 recent 12-month period by the bureau of labor statistics of the
15 United States department of labor by July 25th of the year before the
16 taxes are payable.

17 (2) "Limit factor" means:

18 (a) ~~((For taxing districts with a population of less than ten~~
19 ~~thousand in the calendar year prior to the assessment year, one~~
20 ~~hundred one percent;~~

21 ~~(b) For taxing districts for which a limit factor is authorized~~
22 ~~under RCW 84.55.0101, the lesser of the limit factor authorized under~~
23 ~~that section or one hundred one percent;~~

24 ~~(c) For all other districts, the lesser of one hundred one~~
25 ~~percent or one hundred)) the greater of 100 percent plus population~~
26 change and inflation or 101 percent; ((and)) or

27 (b) For cities, counties, and towns, with respect to the current
28 expense levy of such jurisdictions, the greater of a limit factor
29 under RCW 84.55.0101 or 101 percent.

30 (3) (a) "Population change" means the annual percent increase in
31 the population of a taxing district between the two most recent years
32 as provided in the official population estimates published by the
33 office of financial management for April 1st of the year before taxes
34 are payable. For a county, the "population of a taxing district"
35 means the population within the county's incorporated and
36 unincorporated areas, unless the county taxing district boundaries
37 are limited to the unincorporated county areas, except for a county
38 road fund levy, in which case the "population of a taxing district"
39 means the population of the unincorporated county areas only. Except

1 for the state, for taxing districts that are not coterminous with one
2 or more cities, towns, counties, or unincorporated county areas, or
3 any combination thereof, as provided in the official population
4 estimates published by the office of financial management in April of
5 the year before the taxes are payable, "population change" means:

6 (i) The population change for the city or town within which the
7 taxing district is wholly located;

8 (ii) The population change for the county in which the taxing
9 district is wholly located, when the taxing district is not wholly
10 located within a city or town; or

11 (iii) For taxing districts located in more than one county, the
12 county population change for the county in which the greatest total
13 taxable assessed value of the taxing district for the prior
14 assessment year is located.

15 (b) For the purposes of this subsection (3), the annual percent
16 increase in population is calculated to the nearest 0.1 percent,
17 rounding up to the next 0.1 percent if the second decimal place of
18 the annual percent increase is five or greater.

19 (4) "Regular property taxes" has the meaning given it in RCW
20 84.04.140.

21 **Sec. 103.** RCW 84.55.100 and 1983 c 223 s 1 are each amended to
22 read as follows:

23 (1) The property tax limitation contained in this chapter shall
24 be determined by the county assessors of the respective counties in
25 accordance with the provisions of this chapter: PROVIDED, That the
26 limitation for any state levy shall be determined by the department
27 of revenue and the limitation for any intercounty rural library
28 district shall be determined by the library district in consultation
29 with the respective county assessors.

30 (2) By October 1, 2025, and by October 1st every year thereafter,
31 the county assessor must determine the limit factor applicable to
32 each taxing district in their county and notify each taxing district
33 of the determination. However, for a taxing district located in more
34 than one county, the assessor of the county with the most assessed
35 value of the taxing district is subject to the requirements of this
36 subsection (2).

37 (3) By September 1, 2025, and by September 1st every year
38 thereafter, the department of revenue must provide county assessors

1 the limit factors necessary for the county assessor to comply with
2 subsections (1) and (2) of this section.

3 **Sec. 104.** RCW 84.55.0101 and 2007 sp.s. c 1 s 2 are each amended
4 to read as follows:

5 (1) Upon a finding of substantial need, the legislative authority
6 of a ((taxing district other than the state may provide for the use
7 of a limit factor under this chapter of one hundred one percent or
8 less. In districts with legislative authorities of four members or
9 less, two-thirds of the members must approve an ordinance or
10 resolution under this section. In districts with more than four
11 members, a majority plus one vote must approve an ordinance or
12 resolution under this section. The new limit factor shall be
13 effective for taxes collected in the following year only)) county,
14 city, or town, with respect to its current expense levy, may provide
15 for the use of a limit factor of 100 percent plus population change
16 and inflation. The finding of substantial need must include a
17 legislatively declared determination by the county, city, or town
18 that the estimated increase in expenditures for public safety,
19 criminal justice, and community protection services will exceed the
20 estimated increase in available resources for those purposes.

21 (2) For the purpose of this section, "public safety, criminal
22 justice, and community protection services" means public safety,
23 criminal justice, mental health, chemical dependency, emergency
24 medical, domestic violence, and all other services eligible for
25 funding under RCW 82.14.320, 82.14.340, 82.14.450, 82.14.460, and
26 84.52.069. "Public safety, criminal justice, and community protection
27 services" also includes activities or the provision of services
28 related to: The district and superior courts, court clerks,
29 prosecutors, victim and witness services, and code enforcement.

30 **PART II**

31 **EXEMPTING ALL PARTICIPANTS IN THE PROPERTY TAX RELIEF PROGRAM FOR**
32 **RETIRED PERSONS FROM ALL OF PART I OF THE STATE LEVY**

33 **Sec. 201.** RCW 84.36.381 and 2023 c 147 s 1 are each amended to
34 read as follows:

35 A person is exempt from any legal obligation to pay all or a
36 portion of the amount of excess and regular real property taxes due

1 and payable in the year following the year in which a claim is filed,
2 and thereafter, in accordance with the following:

3 (1) (a) The property taxes must have been imposed upon a residence
4 which was occupied by the person claiming the exemption as a
5 principal place of residence as of the time of filing. However, any
6 person who sells, transfers, or is displaced from his or her
7 residence may transfer his or her exemption status to a replacement
8 residence, but no claimant may receive an exemption on more than one
9 residence in any year. Moreover, confinement of the person to a
10 hospital, nursing home, assisted living facility, adult family home,
11 or home of a relative for the purpose of long-term care does not
12 disqualify the claim of exemption if:

13 (i) The residence is temporarily unoccupied;

14 (ii) The residence is occupied by a spouse or a domestic partner
15 and/or a person financially dependent on the claimant for support; or

16 (iii) The residence is rented for the purpose of paying nursing
17 home, hospital, assisted living facility, or adult family home costs.

18 (b) For the purpose of this subsection (1), "relative" means any
19 individual related to the claimant by blood, marriage, or adoption;

20 (2) The person claiming the exemption must have owned, at the
21 time of filing, in fee, as a life estate, or by contract purchase,
22 the residence on which the property taxes have been imposed or if the
23 person claiming the exemption lives in a cooperative housing
24 association, corporation, or partnership, such person must own a
25 share therein representing the unit or portion of the structure in
26 which he or she resides. For purposes of this subsection, a residence
27 owned by a marital community or state registered domestic partnership
28 or owned by cotenants is deemed to be owned by each spouse or each
29 domestic partner or each cotenant, and any lease for life is deemed a
30 life estate;

31 (3) (a) The person claiming the exemption must be:

32 (i) Sixty-one years of age or older on December 31st of the year
33 in which the exemption claim is filed, or must have been, at the time
34 of filing, retired from regular gainful employment by reason of
35 disability; or

36 (ii) A veteran of the armed forces of the United States entitled
37 to and receiving compensation from the United States department of
38 veterans affairs at:

39 (A) A combined service-connected evaluation rating of 80 percent
40 or higher; or

1 (B) A total disability rating for a service-connected disability
2 without regard to evaluation percent.

3 (b) However, any surviving spouse or surviving domestic partner
4 of a person who was receiving an exemption at the time of the
5 person's death will qualify if the surviving spouse or surviving
6 domestic partner is 57 years of age or older and otherwise meets the
7 requirements of this section;

8 (4) (a) The amount that the person is exempt from an obligation to
9 pay is calculated on the basis of combined disposable income, as
10 defined in RCW 84.36.383.

11 (b) If the person claiming the exemption was retired for two
12 months or more of the assessment year, the combined disposable income
13 of such person must be calculated by multiplying the average monthly
14 combined disposable income of such person during the months such
15 person was retired by 12.

16 (c) If the income of the person claiming exemption is reduced for
17 two or more months of the assessment year by reason of the death of
18 the person's spouse or the person's domestic partner, or when other
19 substantial changes occur in disposable income that are likely to
20 continue for an indefinite period of time, the combined disposable
21 income of such person must be calculated by multiplying the average
22 monthly combined disposable income of such person after such
23 occurrences by 12.

24 (d) (i) If the income of the person claiming the exemption
25 increases as a result of a cost-of-living adjustment to social
26 security benefits or supplemental security income in an amount that
27 would disqualify the applicant from eligibility, the applicant is not
28 disqualified but instead maintains eligibility.

29 (ii) The continued eligibility under this subsection applies to
30 applications for property taxes levied for collection in calendar
31 year 2024.

32 (e) If it is necessary to estimate income to comply with this
33 subsection (4), the assessor may require confirming documentation of
34 such income prior to May 31st of the year following application;

35 (5) (a) A person who otherwise qualifies under this section and
36 has a combined disposable income equal to or less than income
37 threshold 3 is exempt from all excess property taxes, the additional
38 state property tax imposed under RCW 84.52.065(2), and the portion of
39 the regular property taxes authorized pursuant to RCW 84.55.050 and
40 approved by the voters, if the legislative authority of the county or

1 city imposing the additional regular property taxes identified this
2 exemption in the ordinance placing the RCW 84.55.050 measure on the
3 ballot; (~~and~~)

4 (b)(i) A person who otherwise qualifies under this section and
5 has a combined disposable income equal to or less than income
6 threshold 2 but greater than income threshold 1 is exempt from all
7 regular property taxes on the greater of \$50,000 or 35 percent of the
8 valuation of his or her residence, but not to exceed \$70,000 of the
9 valuation of his or her residence; or

10 (ii) A person who otherwise qualifies under this section and has
11 a combined disposable income equal to or less than income threshold 1
12 is exempt from all regular property taxes on the greater of \$60,000
13 or 60 percent of the valuation of his or her residence; and

14 (c)(i) A person who qualifies under (a) of this subsection (5) is
15 exempt from 100 percent of the assessed value for state property
16 taxes imposed under RCW 84.52.065(1).

17 (ii) The exemption provided under (c)(i) of this subsection is
18 applied to the assessed value remaining after all other exemption
19 adjustments have been made under this section;

20 (6)(a) For a person who otherwise qualifies under this section
21 and has a combined disposable income equal to or less than income
22 threshold 3, the valuation of the residence is the assessed value of
23 the residence on the later of January 1, 1995, or January 1st of the
24 assessment year the person first qualifies under this section. If the
25 person subsequently fails to qualify under this section only for one
26 year because of high income, this same valuation must be used upon
27 requalification. If the person fails to qualify for more than one
28 year in succession because of high income or fails to qualify for any
29 other reason, the valuation upon requalification is the assessed
30 value on January 1st of the assessment year in which the person
31 requalifies. If the person transfers the exemption under this section
32 to a different residence, the valuation of the different residence is
33 the assessed value of the different residence on January 1st of the
34 assessment year in which the person transfers the exemption.

35 (b) In no event may the valuation under this subsection be
36 greater than the true and fair value of the residence on January 1st
37 of the assessment year.

38 (c) This subsection does not apply to subsequent improvements to
39 the property in the year in which the improvements are made.
40 Subsequent improvements to the property must be added to the value

1 otherwise determined under this subsection at their true and fair
2 value in the year in which they are made.

3 NEW SECTION. **Sec. 202.** A new section is added to chapter 84.55
4 RCW to read as follows:

5 (1) Notwithstanding the limitations set forth in RCW 84.55.010,
6 state property taxes under RCW 84.52.065(1) levied for collection in
7 calendar year 2026 must be reduced as necessary to prevent the
8 exemption created under section 201, chapter . . ., Laws of 2025
9 (section 201 of this act) from resulting in a higher tax rate than
10 would have occurred in the absence of the exemption.

11 (2) Notwithstanding the most recent three-year period requirement
12 specified in RCW 84.55.010(1), state property taxes under RCW
13 84.52.065(1) levied for collection in calendar years 2027 and 2028
14 may not exceed the limit factor multiplied by the amount levied under
15 this chapter in the prior year plus the increases specified under RCW
16 84.55.010(1) (a) through (e).

17 **PART III**

18 **REQUIRING PROPERTY TAX STATEMENTS TO LIST THE STATE PROPERTY TAX AS**
19 **THE STATE SCHOOL LEVY**

20 **Sec. 301.** RCW 84.56.020 and 2023 c 376 s 1 are each amended to
21 read as follows:

22 **Treasurers' tax collection duties.**

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

25 **Tax payment due dates.**

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

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

34 (b) Payments generated by an automated check processing service
35 or payments sent via United States mail with no discernable postmark
36 date and received within three business days of the 30th day of April
37 or the 31st day of October, as required under (a) of this subsection,
38 are not 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 \$50 or more, and if one-half of
4 such tax is paid after the 30th day of April but before the 31st day
5 of October, together with the applicable interest and penalty on the
6 full amount of tax payable for that year, the remainder of such tax
7 is due and payable on or before the following 31st day of October and
8 is delinquent after that date.

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

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

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

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

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

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

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

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

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

36 (A) A penalty of three percent of the amount of tax delinquent is
37 assessed on the tax delinquent on June 1st of the year in which the
38 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 90 days after the expiration of two years from the
33 date of delinquency (when a taxpayer's taxes have become delinquent),
34 the county treasurer must provide the name and property address of
35 the delinquent taxpayer to a homeownership resource center or any
36 other designated local or state entity recommended by the Washington
37 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 30th day of April and are delinquent after that date.
17 The remainder of the tax is due and payable on or before the
18 following 31st of October and is delinquent after that date. All
19 other assessments, fees, rates, and charges are delinquent after the
20 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 60 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.

29 **PART IV**
30 **MISCELLANEOUS**

31 NEW SECTION. **Sec. 401.** This act applies to taxes levied for
32 collection in 2026 and thereafter.

33 NEW SECTION. **Sec. 402.** This act is necessary for the support of
34 the state government and its existing public institutions.

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