

CHAPTER 322

[Substitute Senate Bill No. 3726]
PROPERTY TAX DELINQUENCIES

AN ACT Relating to property tax delinquencies; amending section 35, chapter 291, Laws of 1975 1st ex. sess. and RCW 84.38.100; amending section 84.56.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 196, Laws of 1974 ex. sess. and RCW 84.56.020; amending section 84.64.030, chapter 15, Laws of 1961 as amended by section 1, chapter 84, Laws of 1972 ex. sess. and RCW 84.64.030; amending section 84.64.050, chapter 15, Laws of 1961 as amended by section 2, chapter 84, Laws of 1972 ex. sess. and RCW 84.64.050; amending section 84.64.080, chapter 15, Laws of 1961 as last amended by section 4, chapter 23, Laws of 1965 ex. sess. and RCW 84.64.080; amending section 84.64.200, chapter 15, Laws of 1961 and RCW 84.64.200; amending section 84.64.270, chapter 15, Laws of 1961 as amended by section 5, chapter 23, Laws of 1965 ex. sess. and RCW 84.64.270; and adding a new section to chapter 19.52 RCW.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 35, chapter 291, Laws of 1975 1st ex. sess. and RCW 84.38.100 are each amended to read as follows:

Whenever a person's special assessment and/or real property tax obligation is deferred under the provisions of this chapter, it shall become a lien in favor of the state upon his or her property and shall have priority as provided in chapters 35.50 and 84.60 RCW: PROVIDED, That the interest of a mortgage or purchase contract holder who is required to cosign a declaration of deferral under RCW 84.38.090, shall have priority to said deferred lien. This lien may accumulate up to eighty percent of the amount of the claimant's equity value in said property and shall bear interest each year at the ~~((rates prescribed for delinquent taxes in RCW 84.56.020 as now or hereafter amended per year))~~ rate of eight percent until said obligation becomes due and payable under RCW 84.38.130.

Sec. 2. Section 84.56.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 196, Laws of 1974 ex. sess. and RCW 84.56.020 are each amended to read as follows:

The county treasurer shall be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. All taxes upon real and personal property made payable by the provisions of this title shall be due and payable to the treasurer as aforesaid on or before the thirtieth day of April ~~((in each year, after which date they shall become delinquent, and interest at the rate of eight percent per annum shall be charged upon such unpaid taxes and upon unpaid personal property taxes from the date of delinquency until paid))~~ and shall be delinquent after that date: PROVIDED, That when the total amount of tax on personal property or on any lot, block or tract of real property payable by one person is ten dollars or more, and if one-half of such tax be paid on or before the

said thirtieth day of April, (~~((then the time for payment of the remainder thereof shall be extended and said remainder shall be due and payable on or before the thirty-first day of October following, after which date such remaining one-half shall become delinquent, and interest at the rate of eight percent per annum shall be charged upon said remainder from the date of delinquency until paid: PROVIDED, FURTHER, That when the total amount of personal property taxes falling due in any year, payable by one person, is ten dollars or more, and if one-half of such taxes be paid on or before said thirtieth day of April then the time for payment of the remainder thereof shall be extended and said remainder shall be due and payable on or before the thirty-first day of October following, after which date such remaining one-half shall become delinquent, and interest at the rate of eight percent per annum shall be charged upon said remainder from the date of delinquency until paid))~~) the remainder shall be due and payable on or before the thirty-first day of October following and shall be delinquent after that date.

Delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis from the date of delinquency until paid. Interest shall be calculated at the rate in effect at the time of payment of the tax, regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(1) A penalty of three percent shall be assessed on the amount of tax delinquent on May 31st of the year in which the tax is due.

(2) An additional penalty of eight percent shall be assessed on the total amount of tax delinquent on November 30th of the year in which the tax is due.

(3) Penalties under this section shall not be assessed on taxes that were first delinquent prior to 1982.

For purposes of this chapter, "interest" means both interest and penalties.

All collections of interest on delinquent taxes shall be credited to the county current expense fund; but the cost of foreclosure and sale of real property, and the fees and costs of distraint and sale of personal property, for delinquent taxes, shall, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and shall be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint and sale for delinquent taxes without regard to budget limitations.

Sec. 3. Section 84.64.030, chapter 15, Laws of 1961 as amended by section 1, chapter 84, Laws of 1972 ex. sess. and RCW 84.64.030 are each amended to read as follows:

Any time after the expiration of three years from the original date of delinquency of any tax included in a certificate of delinquency, the holder of

any certificate of delinquency may give notice and summons to the owner of the property described in such certificate that he or she will apply to the superior court of the county in which such property is situated for a judgment foreclosing the lien against the property mentioned therein. Such notice and summons shall contain:

(1) The title of the court, the description of the property and the name of the owner thereof, if known, the name of the holder of the certificate, the date thereof, and the amount for which it was issued, the year or years for the delinquent taxes for which it was issued, the amount of all taxes paid for prior or subsequent years, and the rate of interest on said amount.

(2) A direction to the owner summoning him or her to appear within sixty days after service of the notice and summons, exclusive of the day of service, and defend the action or pay the amount due, and when service is made by publication a direction to the owner, summoning him or her to appear within sixty days after the date of the first publication of the notice and summons, exclusive of the day of said first publication, and defend the action or pay the amount due.

(3) A notice that, in case of failure so to do, judgment will be rendered foreclosing the lien of such taxes and costs against the land and premises named.

The notice and summons shall be subscribed by the holder of the certificate of delinquency, or by someone in his or her behalf, and residing within the state of Washington, and upon whom all process may be served.

A copy of said notice and summons shall be delivered to the county treasurer. Thereafter when any owner of real property or person interested therein seeks to redeem as provided in RCW 84.64.070, the treasurer shall ascertain the amount of costs accrued in foreclosing said certificate and include said costs as a part of the redemption required to be paid. Cost incurred for a title search required by RCW 84.64.050 shall be included.

The notice and summons shall be served in the same manner as a summons in a civil action is served in the superior court.

The county treasurer shall not issue certificates of delinquency upon property owned and occupied as a principal place of residence by a person sixty-two years of age or older.

Sec. 4. Section 84.64.050, chapter 15, Laws of 1961 as amended by section 2, chapter 84, Laws of 1972 ex. sess. and RCW 84.64.050 are each amended to read as follows:

After the expiration of (~~five~~) three years from the date of delinquency, when any property remains on the tax rolls for which no certificate of delinquency has been issued, the county treasurer shall proceed to issue certificates of delinquency on said property to the county(~~;~~ and) for all years' taxes, interest, and costs: PROVIDED, That the county treasurer, with the consent of the county legislative authority, may elect to issue a certificate

for fewer than all years' taxes, interest, and costs to a minimum of the taxes, interest, and costs for the earliest year.

The change to a three-year grace period shall first be effective on May 1, 1983. Prior to that date, the county treasurer shall send a notice to all taxpayers with taxes delinquent for two years or more, notifying them of the change in the grace period. The treasurer shall file said certificates when completed with the clerk of the court, and the treasurer shall thereupon, with such legal assistance as the county ((commissioners)) legislative authority shall provide in counties having a population of thirty thousand or more, and with the assistance of the county prosecuting attorney in counties having a population of less than thirty thousand, proceed to foreclose in the name of the county, the tax liens embraced in such certificates, and the same proceedings shall be had as when held by an individual: PROVIDED, That notice and summons must be served or notice given in a manner reasonably calculated to inform the owner or owners of the foreclosure action. Either (1) personal service upon the owner or owners or (2) publication once in a newspaper of general circulation, which is circulated in the area of the property and mailing of notice by certified mail to the owner or owners or, if a mailing address is unavailable, personal service upon the occupant of the property, if any, is sufficient. In addition to describing the property as the same is described on the tax rolls, the notice must include the local street address, if any. It shall be the duty of the county treasurer to mail a copy of the published summons, within fifteen days after the first publication thereof, to the treasurer of each city or town within which any property involved in a tax foreclosure is situated, but the treasurer's failure to do so shall not affect the jurisdiction of the court nor the priority of any tax sought to be foreclosed. Said certificates of delinquency issued to the county may be issued in one general certificate in book form including all property, and the proceedings to foreclose the liens against said property may be brought in one action and all persons interested in any of the property involved in said proceedings may be made codefendants in said action, and if unknown may be therein named as unknown owners, and the publication of such notice shall be sufficient service thereof on all persons interested in the property described therein, except as provided above. The person or persons whose name or names appear on the treasurer's rolls as the owner or owners of said property shall be considered and treated as the owner or owners of said property for the purpose of this section, and if upon said treasurer's rolls it appears that the owner or owners of said property are unknown, then said property shall be proceeded against, as belonging to an unknown owner or owners, as the case may be, and all persons owning or claiming to own, or having or claiming to have an interest therein, are hereby required to take notice of said proceedings and of any and all steps thereunder: PROVIDED, That, at least thirty days prior to the sale of the property, if such property is shown on the tax rolls under unknown owners or as having an

assessed value of three thousand dollars or more, the treasurer shall order or conduct a title search of the property to be sold to determine the legal description of the property to be sold and the record title holder, and if the record title holder or holders differ from the person or persons whose name or names appear on the treasurer's rolls as the owner or owners, the record title holder or holders shall be considered and treated as the owner or owners of said property for the purpose of this section, and shall be entitled to the notice provided for in this section.

The county treasurer shall not issue certificates of delinquency upon property owned and occupied as a principal place of residence by a person sixty-two years of age or older.

Sec. 5. Section 84.64.080, chapter 15, Laws of 1961 as last amended by section 4, chapter 23, Laws of 1965 ex. sess. and RCW 84.64.080 are each amended to read as follows:

The court shall examine each application for judgment foreclosing tax lien, and if defense (specifying in writing the particular cause of objection) be offered by any person interested in any of said lands or lots to the entry of judgment against the same, the court shall hear and determine the matter in a summary manner, without other pleadings, and shall pronounce judgment as the right of the case may be; or said court may, in its discretion, continue such individual cases, wherein defense is offered, to such time as may be necessary, in order to secure substantial justice to the contestants therein; but in all other cases said court shall proceed to determine the matter in a summary manner as above specified. In all judicial proceedings of any kind for the collection of taxes, and interest((s)) and costs thereon, all amendments which by law can be made in any personal action pending in such court shall be allowed, and no assessments of property or charge for any of said taxes shall be considered illegal on account of any irregularity in the tax list or assessment rolls or on account of the assessment rolls or tax list not having been made, completed or returned within the time required by law, or on account of the property having been charged or listed in the assessment or tax lists without name, or in any other name than that of the owner, and no error or informality in the proceedings of any of the officers connected with the assessment, levying or collection of the taxes, shall vitiate or in any manner affect the tax or the assessment thereof, and any irregularities or informality in the assessment rolls or tax lists or in any of the proceedings connected with the assessment or levy of such taxes or any omission or defective act of any officer or officers connected with the assessment or levying of such taxes, may be, in the discretion of the court, corrected, supplied and made to conform to the law by the court. The court shall give judgment for such taxes, interest and costs as shall appear to be due upon the several lots or tracts described in said notice of application for judgment or complaint, and such judgment shall be a several judgment

against each tract or lot or part of a tract or lot for each kind of tax included therein, including all interest and costs, and the court shall order and direct the clerk to make and enter an order for the sale of such real property against which judgment is made, or vacate and set aside the certificate of delinquency or make such other order or judgment as in the law or equity may be just. Said order shall be signed by the judge of the superior court and attested by the clerk thereof, and a certified copy of said order, together with the list of the property therein ordered sold, shall be delivered to the county treasurer, and shall be full and sufficient authority for him or her to proceed to sell said property for said sum as set forth in said order and to take such further steps in the matter as are provided by law. The county treasurer shall immediately after receiving the order and judgment of the court proceed to sell the property as provided in this chapter to the highest and best bidder for cash. All sales shall be made at such place on county property as the ~~((board of county commissioners))~~ county legislative authority may direct on Friday between the hours of 9 o'clock in the morning and ~~((4)) 9~~ o'clock in the ~~((afternoon))~~ evening, as the county legislative authority may direct, and shall continue from day to day (Saturdays and Sundays excepted) during the same hours until all lots or tracts are sold, after first giving notice of the time, and place where such sale is to take place for ten days successively by posting notice thereof in three public places in the county, one of which shall be in the office of said treasurer. The notice shall be substantially in the following form:

TAX JUDGMENT SALE

Public notice is hereby given that pursuant to real property tax judgment of the superior court of the county of in the state of Washington, and an order of sale duly issued by said court, entered the day of,, in proceedings for foreclosure of tax liens upon real property, as per provisions of law, I shall on the day of,, at o'clock a.m., at in the city of, and county of, state of Washington, sell the following described lands or lots, to the highest and best bidder for cash, to satisfy the full amount of taxes, interest and costs adjudged to be due thereon as follows, to wit: (Description of property.)

In witness whereof, I have hereunto affixed my hand and seal this day of,

.....
Treasurer of county.

No county officer or employee shall directly or indirectly be a purchaser of such property at such sale.

The treasurer may include in one notice any number of separate tracts or lots.

If any buildings or improvements are upon an area encompassing more than one tract or lot, the same must be advertised and sold as a single unit.

If the highest amount bid for any such separate unit tract or lot is in excess of the entire amount of the taxes and interest due upon the whole property included in the certificate of delinquency, the excess shall be refunded, on application therefor, to the record owner of the property. In the event no claim for the said excess is received by the county treasurer within three years after the date of the sale he or she shall at expiration of the three year period deposit such excess in the current expense fund of the county. The county treasurer shall execute to the purchaser of any piece or parcel of land a tax deed. The deed so made by the county treasurer, under the official seal of his or her office, shall be recorded in the same manner as other conveyances of real property, and shall vest in the grantee, his or her heirs and assigns the title to the property therein described, without further acknowledgment or evidence of such conveyance, and shall be substantially in the following form:

State of Washington }
County of } ss.

This indenture, made this day of, between, as treasurer of county, state of Washington, party of the first part, and, party of the second part:

Witnesseth, that, whereas, at a public sale of real property held on the day of, pursuant to a real property tax judgment entered in the superior court in the county of on the day of, in proceedings to foreclose tax liens upon real property and an order of sale duly issued by said court, duly purchased in compliance with the laws of the state of Washington, the following described real property, to wit: (Here place description of real property conveyed) and that said has complied with the laws of the state of Washington necessary to entitle (him, or her or them) to a deed for said real property.

Now, therefore, know ye, that, I, county treasurer of said county of, state of Washington, in consideration of the premises and by virtue of the statutes of the state of Washington, in such cases provided, do hereby grant and convey unto, his or her heirs and assigns, forever, the said real property hereinbefore described.

Given under my hand and seal of office this day of A.D.

.....
County Treasurer.

Sec. 6. Section 84.64.200, chapter 15, Laws of 1961 and RCW 84.64-200 are each amended to read as follows:

All lots, tracts and parcels of land upon which taxes levied prior to January 9, 1926 remain due and unpaid at the date when such taxes would have become delinquent as provided in the act under which they were levied shall be deemed to be delinquent under the provisions of this title, and the same proceedings may be had to enforce the payment of such unpaid taxes, with interest and costs, and payment enforced and liens foreclosed under and by virtue of the provisions of this chapter. For the purposes of foreclosure under this chapter, the date of delinquency shall be construed to mean the date when the taxes first became delinquent. At all sales of property for which certificates of delinquency are held by the county, if no other bids are received, the county shall be considered a bidder for the full area of each tract or lot to the amount of all taxes, interest and costs due thereon, and where no bidder appears, acquire title thereto as absolutely as if purchased by an individual under the provisions of this chapter; all bidders except the county at sales of property for which certificates of delinquency are held by the county shall pay the full amount of taxes, interest((s)) and costs for which judgment is rendered, together with all taxes, interest((s)) and costs ((for all subsequent years due on said property at the date of sale)) which are delinquent at the time of sale, regardless of whether the taxes, interest, or costs are included in the judgment.

Sec. 7. Section 84.64.270, chapter 15, Laws of 1961 as amended by section 5, chapter 23, Laws of 1965 ex. sess. and RCW 84.64.270 are each amended to read as follows:

Real property heretofore or hereafter acquired by any county of this state by foreclosure of delinquent taxes may be sold by order of the ~~((board of county commissioners))~~ county legislative authority of the county when in the judgment of the members of the ~~((board))~~ legislative authority they deem it for the best interests of the county to sell the same. When the ~~((board))~~ legislative authority desires to sell any such property it may, if deemed advantageous to the county, combine any or all of the several lots and tracts of such property in one or more units, and may reserve from sale coal, oil, gas, gravel, minerals, ores, fossils, timber, or other resources on or in said lands, and the right to mine for and remove the same, and it shall then enter an order on its records fixing the unit or units in which the property shall be sold and the minimum price for each of such units, and whether the sale will be for cash or whether a contract will be offered, and reserving from sale such of said resources as it may determine and from which units such reservations shall apply, and directing the county treasurer to sell such property in the unit or units and at not less than the price or prices and subject to such reservations so fixed by ~~((said board))~~ the county legislative authority: PROVIDED, That the said order shall be subject to the approval of the county treasurer if several lots or tracts of land are combined in one unit. It shall be the duty of the county treasurer upon receipt of such order to publish once a week for three consecutive weeks a

notice of the sale of such property in a newspaper printed and published in the county where the land is situated: PROVIDED, That in counties where there is no newspaper published, the treasurer of such county shall cause such notice to be published in some newspaper in the state of general circulation in such county having no resident newspaper, said notice shall describe the property to be sold, the unit or units, the reservations, and the minimum price fixed in said order, together with the time and place and terms of sale, which said sale shall be made at such place on county property as the ~~((board of county commissioners))~~ county legislative authority may direct in the county in which the land is situated and at such time between the hours of 9 o'clock a.m. and ~~((4))~~ 9 o'clock p.m. as the county legislative authority may direct, and all sales so made shall be to the highest and best bidder at such sale, and sales to be made under the provisions of this chapter may be adjourned from day to day by the county treasurer by public announcement made by the treasurer at the time and place designated in the notice of such sale, or at the time and place to which said sale may be adjourned. The person making the bid shall state whether he or she will pay cash for the amount of his bid or accept a real estate contract of purchase in accordance with the provisions hereinafter contained. The person making the highest bid shall become the purchaser of said property. If the highest bidder is a contract bidder the purchaser shall be required to pay ~~((twenty))~~ thirty percent of the total purchase price at the time of said sale and shall enter into a contract with the county as vendor and the purchaser as vendee which shall obligate and require the purchaser to pay the balance of said purchase price in ten equal annual installments commencing November 1st and each year following the date of said sale, and shall require said purchaser to pay ~~((six))~~ twelve percent interest on all deferred payments, interest to be paid at the time the annual installment is due; and may contain a provision authorizing the purchaser to make payment in full at any time of any balance due on the total purchase price plus accrued interest on such balance. Said contract shall contain a provision requiring the purchaser to pay before delinquency all subsequent taxes and assessments that may be levied or assessed against said property subsequent to the date of said contract, and shall contain a provision that time is of the essence of the contract and that in event of a failure of the vendee to make payments at the time and in the manner required and to keep and perform the covenants and conditions therein required of him that the said contract may be forfeited and terminated at the election of the vendor, and that in event of said election all sums theretofore paid by the vendee shall be forfeited as liquidated damages for failure to comply with the provisions of said contract; and shall require the vendor to execute and deliver to the vendee a deed of conveyance covering said property upon the payment in full of the purchase price, plus accrued interest: PROVIDED FURTHER, That ~~((said board))~~ the county legislative authority may, by order entered in its records,

direct said coal, oil, gas, gravel, minerals, ores, timber, or other resources sold apart from the land, such sale to be conducted in the manner hereinabove prescribed for the sale of the land: PROVIDED FURTHER, That any such reserved minerals or resources not exceeding two hundred dollars in value may be sold, when (~~said board~~) the county legislative authority deems it advisable, either with or without such publication of the notice of sale, and in such manner as the (~~board~~) county legislative authority may determine will be most beneficial to the county.

NEW SECTION. Sec. 8. There is added to chapter 19.52 RCW a new section to read as follows:

This chapter does not apply in respect to interest, penalties, or costs imposed on delinquent property taxes under chapter 84.64 RCW.

Passed the Senate April 26, 1981.

Passed the House April 25, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

CHAPTER 323

[Substitute Senate Bill No. 4209]

LOCAL IMPROVEMENT DISTRICTS—INITIATION—FINANCING

AN ACT Relating to local improvement districts; amending section 35.43.120, chapter 7, Laws of 1965 as amended by section 5, chapter 258, Laws of 1969 ex. sess. and RCW 35.43.120; amending section 35.45.040, chapter 7, Laws of 1965 and RCW 35.45.040; amending section 35.45.130, chapter 7, Laws of 1965 as amended by section 36, chapter 56, Laws of 1970 ex. sess. and RCW 35.45.130; reenacting and amending section 35.45.150, chapter 7, Laws of 1965 as amended by section 37, chapter 56, Laws of 1970 ex. sess. and by section 2, chapter 93, Laws of 1970 ex. sess. and RCW 35.45.150; amending section 35.49.020, chapter 7, Laws of 1965 as amended by section 14, chapter 258, Laws of 1969 ex. sess. and RCW 35.49.020; amending section 35.50.030, chapter 7, Laws of 1965 and RCW 35.50.030; amending section 35.54.060, chapter 7, Laws of 1965 and RCW 35.54.060; and amending section 35.54.090, chapter 7, Laws of 1965 and RCW 35.54.090.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 35.43.120, chapter 7, Laws of 1965 as amended by section 5, chapter 258, Laws of 1969 ex. sess. and RCW 35.43.120 are each amended to read as follows:

Any local improvement may be initiated upon a petition signed by the owners of property aggregating a majority (~~((1) of the lineal frontage upon the improvement and (2))~~) of the area within the proposed district. The petition must (~~(set forth)~~) briefly describe: (1) The nature (~~and~~) of the proposed improvement, (2) the territorial extent of the proposed improvement, (~~the mode of payment;~~) and (3) what proportion of the (~~lineal frontage upon the improvement and of the~~) area within the proposed district is owned by the petitioners as shown by the records in the office of the county auditor.