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SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 05 - 131

RELATING TO USE OF REAL ESTATE EXCISE TAXES, ESTABLISHING
A REAL ESTATE EXCISE TAX CUMULATIVE RESERVE FUND,
AMENDING SCC 4.12.015, AND ADDING A NEW CHAPTER 4.13 SCC

WHEREAS, real estate excise tax revenues collected pursuant to Chapter 82.46 RCW and Chapter 4.12 SCC (hereinafter "REET revenues") are an important element of the County's annual operating and capital budgets relating to the financing of eligible capital projects; and

WHEREAS, REET revenues are difficult to predict due to the volatility of the real estate market and regularly exceed budget estimates, leading in recent years to significant unanticipated and undesignated fund balances; and

WHEREAS such year-end fund balances have been used to pay an increasingly large proportion of debt service for the Campus Redevelopment Initiative (hereinafter "CRI"), which has displaced planned general fund expenditures for CRI debt service; and

WHEREAS, the County Council desires to reverse this trend and, by annually depositing a percentage of such year-end fund balances into a real estate excise tax cumulative reserve fund, to (a) facilitate the monitoring of unanticipated REET revenues, (b) make additional REET revenues available for eligible projects unrelated to CRI, and (c) foster savings to help mitigate the impacts of future REET revenue downturns;

THEREFORE, BE IT ORDAINED:

Section 1. Snohomish County Code Section 4.12.015, last amended by Amended Ordinance No. 90-094 on June 20, 1990, is amended to read:

4.12.015 Disposal of tax.

(1) The county treasurer shall place one percent of the proceeds of the taxes imposed under SCC 4.12.005 in the current expense fund to defray costs of collection.

(2) The remaining proceeds from the taxes imposed under SCC 4.12.005 shall be placed in separate accounts within a capital improvement fund pursuant to this chapter or chapter 4.13 SCC and be used for the following purposes:

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(a) Revenues generated from the tax imposed under SCC 4.12.005(1) shall be used by the county for local improvements, including those listed in RCW 35.43.040. After ~~((July 1, 1990))~~ April 30, 1992, revenues shall be used ~~((primarily))~~ solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under ~~((sections 49 and 50, chapter 17, Laws of 1990, 1st ex. sess))~~ RCW 59.18.440 and 59.18.450. However, revenues pledged to debt retirement prior to ~~((July 1, 1990))~~ April 30, 1992 shall continue to be used for that purpose until ~~((all outstanding))~~ the original debt for which the revenues were pledged is retired, and revenues committed to a ~~((capital))~~ project prior to ~~((July 1, 1990))~~ April 30, 1992, shall continue to be used for that purpose until the project is completed. As used in this subsection, "capital project" has the meaning given in RCW 82.46.010.

(b) Revenues generated from the tax imposed under SCC 4.12.005(2) shall be used by the county solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. As used in this subsection, "capital project" has the meaning given in RCW 82.46.035.

Section 2. A new chapter is added to Title 4 of the Snohomish County Code to read:

Chapter 4.13

REAL ESTATE EXCISE TAX CUMULATIVE RESERVE FUND

Sections:

- 4.13.010 Name of fund.
- 4.13.020 Purpose of fund.
- 4.13.030 Source of resources.
- 4.13.040 Administration of fund.
- 4.13.050 Fund manager.

4.35.010 Name of fund.

There is created a cumulative reserve fund to be known as the real estate excise tax cumulative reserve fund.

4.13.020 Purpose of fund.

The purpose of the real estate excise tax cumulative reserve fund is to account for and accumulate the monies described in SCC 4.13.030 for financing capital projects provided for in SCC 4.12.015 as determined appropriate by the county council.

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4.35.030 Source of resources.

(1) At the end of each fiscal year the department of finance shall compare the total appropriations of estimated real estate excise tax revenues for that year with the total actual real estate excise tax revenues for that year. If the actual real estate excise tax revenues for that year exceeded the appropriations of estimated real estate excise tax revenues for that year, the department shall deposit an amount equal to 75 percent of the difference into the real estate excise tax cumulative reserve fund.

(2) Additional resources of the real estate excise tax cumulative reserve fund shall consist of investment earnings and other resources determined appropriate by the county council.

4.13.040 Administration of fund.

(1) Monies deposited into the real estate tax cumulative reserve fund shall be placed in separate accounts and administered in accordance with RCW 82.46.010, 82.46.030, and 82.46.035 and SCC 4.12.015.

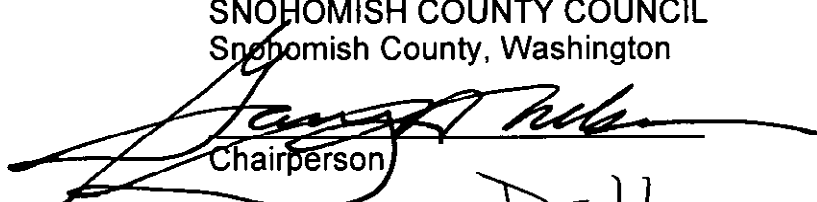
(2) The resources in the real estate excise tax cumulative reserve fund shall accumulate from year to year until such time as the council by ordinance appropriates all or part of the resources in the fund for a purpose described in this chapter. Such resources shall not be used for any other purpose, except as provided by state law.

4.35.050 Fund manager.

The county executive shall designate a fund manager, whose name and title shall appear on the master list of fund managers maintained in the department of finance.

PASSED this 21st day of November, 2005.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington


Chairperson

D-16

ATTEST:


Clerk of the Council


() APPROVED

() EMERGENCY

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() VETOED


DATE: 12/08/05


County Executive

ATTEST:



Approved as to form only:


Deputy Prosecuting Attorney

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