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COUNTY COUNCIL
Snohomish County, Washington



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SNOHOMISH COUNTY
EXECUTIVE OFFICE

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Amended
ORDINANCE NO. 87-062
ESTABLISHMENT OF A PROGRAM FOR
USE OF HOTEL-MOTEL TAX FUNDS:
AMENDING SNOHOMISH COUNTY CODE
CHAPTER 4.40

WHEREAS, Snohomish County Code Chapter 4.40 created a Convention and Performing Arts Fund pursuant to RCW 67.28.180; and

WHEREAS, Snohomish County receives certain monies on a continuing basis from the State Department of Revenue, which are dedicated to this fund; and

WHEREAS, Snohomish County wishes to employ this fund to enhance cultural and tourism activities within the county;

NOW THEREFORE, BE IT ORDAINED:

Section 1. Snohomish County Code Section 4.40.050, last amended by Ordinance 85-054 on June 24, 1985, is amended to read as follows:

4.40.050 Special fund created - Purposes enumerated.
There is hereby created a special fund to be known as the Hotel-Motel Tax Fund. (~~"convention-center---performing arts-center-fund."~~) All taxes levied herein shall be placed in said fund and may be used only for the purpose of paying all or any part of the cost of acquisition, construction, installation, addition, improvement, replacement, repair, maintenance, or operation of convention-center facilities, stadium facilities, performing arts center facilities, and visual arts center facilities or to pay or secure the payment of all or any portion of general obligation bonds or revenue bonds, if any, issued for such purpose or purposes as specified herein, or to pay for advertising, publicizing, or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion, and until withdrawn for such uses, the monies accumulated in said fund may be invested in interest bearing securities by the Snohomish County Treasurer in any manner authorized by law.

New Section: Section 2. A new section is added to Snohomish County Code Chapter 4.40 as follows:

4.40.060 Use of fund. The hotel-motel tax fund shall be used to support projects or purposes authorized under Chapter 67.28 R.C.W. Eligibility of sponsors and projects will be defined broadly to encourage wide participation and innovative proposals.

New Section: Section 3. A new section is added to Snohomish County Code Chapter 4.40 as follows:

4.40.065 Fund administration. Administration of the hotel-motel tax fund will rest with the Planning Division of the Department of Planning and Community Development. The Planning Division shall develop procedures for implementation of this chapter which are based upon the following program policies:

(1) Prior to October 1st each year, Department of Budget and Finance staff shall provide a projection regarding the extent of appropriation capacity within the hotel-motel tax fund for the ensuing year.

(2) The hotel-motel tax fund manager and fund accountant from the Department of Budget and Finance shall attend meetings with the Planning Division where project selections are made.

(3) The Planning Division and the Department of Budget and Finance shall determine that there is sufficient appropriation capacity and a cash flow within the hotel-motel tax fund to meet approved payment schedules.

(4) Use of funds must be in compliance with state statutes governing the use of hotel-motel tax revenues.

(5) Each funded project must have specific goals and measurable service output to which the project sponsor can be held accountable through the contract, project monitoring and reporting processes.

(6) No county official shall make any preliminary commitment to any entity interested in obtaining funding for any project.

(7) All policies and guidelines shall apply to all proposed projects.

(8) There shall be no borrowing from the current expense fund.

(9) To assure fund integrity and proper accounting for project activity, a checklist shall be established and attached to each project contract or interlocal agreement providing review history and paper trail including:

(a) Executive recommendations.

(b) Council approval.

(c) Adopted budget.

(d) Budget and Finance Department review demonstrating appropriation capacity and cash flow sufficiency.

(e) Prosecuting Attorney review.

(f) Executed contract or interlocal agreement.

New Section: Section 4. A new section is added to Snohomish County Code Chapter 4.40 as follows:

4.40.070 Project application and selection process.

(1) To qualify for funding from the hotel-motel tax fund, projects must demonstrate compliance with state statutes governing the use of hotel-motel tax funds and project proponents must also satisfy such additional requirements as are imposed pursuant to this chapter.

(2) The program is open to applications from any public or private entity, not otherwise disqualified, with the demonstrated capacity to accomplish the proposed project. Special conditions may be imposed upon proponents located in municipalities which have imposed their own hotel-motel taxes.

(3) At a minimum, any project application developed pursuant to this chapter shall address the following areas:

eligibility, scope of work, timeline, endorsements, budget, matching share, availability, proof of non-profit status, cooperative commitments, reimbursements, contract monitoring and reporting, and a contact person.

(4) The process by which successful applications are selected shall include:

(a) A provision of technical assistance by the Planning Division staff to potential applicants to assist in application preparation;

(b) A mechanism for fairly evaluating projects against each other;

(c) A procedure for a staff prioritization of the qualifying projects; and

(d) A process for final project selection by the County Council.

Section 5. Snohomish County Code Section 4.40.060, adopted by Ordinance 79-335 on November 5, 1979, is amended as follows:

4.40.080 (~~4.40.060~~) Penalties. Any person violating or failing to comply with any of the provisions of this chapter or any rule or regulation adopted by reference herein, shall be guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not more than \$300.00.

Section 6. Snohomish County Code Section 4.40.070, adopted by Ordinance 79-335 on November 5, 1979, is amended as follows:

4.40.090 (~~4.40.070~~) Severability. If any section, subsection, clause, or phrase or word of this chapter or any provision adopted by reference herein is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this chapter or any provision adopted by reference herein.

Section 7. Snohomish County Code Section 4.40.080, adopted by Ordinance 79-335 on November 5, 1979, is amended as follows:

4.40.100 (~~4.40.080~~) Effective date of tax. The tax herein levied shall be effective on the 1st day of January, 1980, and shall be collected by the State Department of Revenue and distributed to Snohomish County pursuant to applicable rules and regulations of said Department of Revenue.

PASSED this 12th day of August, 1987.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Shirley Bartholomew
Chairperson

Approved as to Form:

Gordon W. Aig
Deputy Prosecuting Attorney

ATTEST:

Kathryn J. Merton
Clerk of Council

-) APPROVED
) VETOED
) EMERGENCY

DATE: Aug. 19, 1987
[Signature]
County Executive

PUBLISHED _____ and _____

ORDINANCE RE: HOTEL-MOTEL TAX - 5

ATTACHMENT A

SNOHOMISH COUNTY
HOTEL-HOTEL TAX GRANT PROGRAM
APPLICATION PROCESS

INTRODUCTION

The purpose of the Snohomish County Hotel-Motel Tax Grant program is to support projects which encourage eligible tourism and cultural activities in Snohomish County. Eligibility of sponsors and projects is defined broadly to encourage wide participation and innovative proposals. The source of the funds is the county's share of sales taxes collected on hotel and motel room rentals within Snohomish County. Because of this, the amount available in any given year fluctuates in direct proportion to the level of the county's tourism business.

PROJECT ELIGIBILITY

The most basic eligibility requirement is that the proponent demonstrate clearly and convincingly that the proposed project is in compliance with state statutes governing the use of Hotel-Motel Tax funds. In addition, project requests must satisfy several other criteria:

1. The application must demonstrate that the project proponent will supply at least 25% of the total project cost. The matching requirement may be met by a cash contribution, in-kind services, or a combination of both;
2. Projects must be of one year's duration (this does not preclude funding the same project several years in a row).
3. Hotel-Motel Tax revenues cannot be used to offset non-project operation and maintenance costs.
4. Project requests which are cooperative in nature (co-sponsored by two or more agencies) and project requests which demonstrate a matching ratio in excess of 25% will receive higher priority in the selection process.

PROPONENT ELIGIBILITY

The program is open to applications from virtually any public or private entity with the demonstrated capacity to accomplish the proposed project. This includes individuals as well as public and private agencies such as port districts, cities and towns, museums and galleries, historical societies, art groups, and chambers of commerce.

APPLICATION REQUIREMENTS

The project application addresses 12 specific areas.

1. ELIGIBILITY.

Each proponent will be required to concisely define the service to be provided through the proposed project and demonstrate how it will do so. Essential to this process will be establishing that the project, if funded, will be in compliance with state statutes governing the use of Hotel-Motel Tax revenues.

2. SCOPE OF WORK.

The applicant will be required to submit a scope of work which breaks the overall project down into a progression of logical steps.

3. TIME LINE.

The elements and the scope of work must be keyed to milestones indicating when each will be undertaken and/or completed.

4. ENDORSEMENTS.

Each application must be accompanied by three letters of endorsement. Each letter should define the writer's relationship with the project proponent and briefly state his or her reasons for supporting the project.

5. BUDGET.

The project budget will include both revenue and expense categories; all income (including in-kind) will be broken out by amount and source, and expenses will be itemized as well.

6. MATCH AVAILABILITY.

Each project proponent will be required to demonstrate that, if the project is funded, his or her matching share will be available on the specified date of project commencement.

7. PROOF OF NON-PROFIT STATUS.

Non-profit organizations proposing projects will submit evidence of their status (i.e. a copy of the federal Internal Revenue Service letter confirming 501 (c) (3) status and/or a copy of the certificate of non-profit incorporation signed by the Secretary of State).

8. COOPERATIVE COMMITMENTS.

The lead sponsor of a cooperative project will be required to submit formal letters of commitment from project co-sponsors.

9. REIMBURSEMENT.

Project proponents must understand that the county's support for funded projects in most cases is on a reimbursement basis, i.e. no funds can be advanced in support of a project. Sponsors must first incur costs and then bill the county for reimbursement under contract guidelines. Exceptions may be made at the discretion of the county.

10. CONTRACT.

Each project proponent selected for funding will be required to enter into a contractual agreement with the county. The contract will cover such areas as definition of the project goals, definition of eligible costs, specification of payment procedures, limits of county liability, and other usual and accustomed requirements.

11. MONITORING AND REPORTING.

As a contractual condition, each funded project will be monitored for progress and consistency with original goals. The sponsor will be required to submit a final report at the end of the project and will be required to submit periodic progress reports during the course of the project.

12. CONTACT PERSON.

Each project proponent will designate a primary individual as the contact for the project. During the life of a funded project, this individual will be the principal representative in dealings with the county.

SELECTION PROCESS.

When the application solicitation period opens, Planning Division staff will use every opportunity to inform potential applicants of the funding process and its eligibility criteria. During this period, Planning Division staff will also be available to potential applicants to provide technical assistance as applicants prepare their requests. When the solicitation period closes, Planning Division staff will review applications for completeness and eligibility. Qualifying applications will then be forwarded to the County Council via the County Executive's Office. The final step will be the Council's review and selection of projects for funding in the ensuing budget year.

PROGRAM POLICIES

1. Prior to October 1st each year, Department of Budget and Finance staff will provide a projection regarding the extent of appropriation capacity within the Hotel-Motel Tax Fund for the ensuing year (see attached format).
2. The Hotel-Motel Tax Fund manager and fund accountant from the Department of Budget and Finance will attend meetings where project selections are made.
3. There must be sufficient appropriation capacity and cash flow within the Hotel-Motel Tax Fund to meet scheduled payment schedules.
4. Use of funds must be in compliance with state statutes governing the use of Hotel-Motel Tax revenues.
5. Each funded project must have specific goals and measurable service output to which they can be held accountable through the contract, project monitoring and reporting processes.
6. No county official shall make a preliminary commitment to any entity interested in obtaining Hotel-Motel Tax Funds.
7. All policies and guidelines will apply to all proposed amendments to interlocal agreements. Such amendments will be considered simultaneously with other annual funding requests.
8. There shall be no borrowing from the current expense fund.
9. To ensure fund integrity and proper accounting for project activity, a checklist shall be established and attached to each interlocal agreement providing review history and paper trail including:
 - A. Executive recommendation
 - B. Council approval
 - C. Adopted budget
 - D. Finance Department review demonstrating appropriation capacity and cash flow sufficiency
 - E. Prosecuting Attorney review
 - F. Executed interlocal agreement.
10. Council may wish to establish a policy of "reserving" a percentage of each year's estimated revenues in order to meet cash flow needs or to provide flexibility to fund new program requests mid-year. For this context, "reserving" estimated revenues means not appro-

priating 100% of estimated revenues. New program funding requests could continue to be addressed by appropriating a contingency line item.

11. Council may also wish to consider a process by which the approval of a request for funding would not result in any one Council district receiving a disproportionately greater share of funding than other districts. Alternative actions include: "Fair share" allocations per district based on population; allocation by equal percentage shares by Council district; an upper limit on funding per project; or no action.

SNOHOMISH COUNTY HOTEL - MOTEL TAX FUND

PROJECT APPLICATION

Project Title: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____-_____-_____

Project Sponsor: _____

Address: _____

City: _____ State: _____ Zip: _____

Sponsor is: Individual _____ Private _____ Non-Profit
Public agency _____

Amount requested: \$ _____ Applicant's match: \$ _____

Total project budget: \$ _____

PROJECT DESCRIPTION

Describe the proposed project: _____

How does the project conform with state statutes governing the expenditure of Hotel-Motel Tax revenues? _____

SNOHOMISH COUNTY HOTEL - MOTEL TAX FUND

BUDGET SHEET

Project: _____

ITEM	COUNTY	MATCH	TOTAL
1. Salaries and wages	\$	\$	\$
2. Personal serv. contract	\$	\$	\$
3. Fringe benefits	\$	\$	\$
4. Materials and supplies	\$	\$	\$
5. Communication	\$	\$	\$
6. Printing	\$	\$	\$
7. Rentals and leases	\$	\$	\$
8. Other goods & services	\$	\$	\$
9. Travel	\$	\$	\$
10. Administration	\$	\$	\$
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TOTALS:	\$	\$	\$

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IDENTIFY REQUESTED DISBURSEMENT DATES & AMOUNTS:

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<u>MONTH</u>	<u>AMOUNT</u>	<u>% OF PROJECT COMPLETED</u>
<u>JANUARY</u>	\$ _____	_____
<u>FEBRUARY</u>	\$ _____	_____
<u>MARCH</u>	\$ _____	_____
<u>APRIL</u>	\$ _____	_____
<u>MAY</u>	\$ _____	_____
<u>JUNE</u>	\$ _____	_____
<u>JULY</u>	\$ _____	_____
<u>AUGUST</u>	\$ _____	_____
<u>SEPTEMBER</u>	\$ _____	_____
<u>OCTOBER</u>	\$ _____	_____
<u>NOVEMBER</u>	\$ _____	_____
<u>DECEMBER</u>	\$ _____	_____

Please provide the following information as attachments.

All applicants:

- o project budget showing all revenue and expense items; clearly identify amount and value of in-kind contributions (please be sure to show how value of in-kind was established)
- o project timeline showing proposed commencement and completion dates and dates associated with any major milestones
- o three letters of recommendation

Non-profits:

- o copy of state certificate of non-profit incorporation and/or federal 501 (c) (3) letter
- o copy of articles of incorporation
- o copy of most recent audit
- o copy of meeting minutes showing official approval of project and authorizing application

Public agencies:

- o copy of meeting minutes approving project and authorizing application

Cooperative projects:

- o describe reasons for and benefits of cooperative approach
- o list all co-sponsors by title and type
- o describe individual project responsibilities of co-sponsors