

## **Title 3**

### **REVENUE AND FINANCE**

#### **Chapters:**

- 3.04 Sales or Use Tax**
- 3.08 Excise Tax on Leases of Public Property**
- 3.10 *Repealed***
- 3.12 Claims against the City**
- 3.14 Purchasing**
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**Chapter 3.04**

**SALES OR USE TAX**

Sections:

- 3.04.010 Imposition of sales tax – Authority.
- 3.04.020 Rate of tax.
- 3.04.030 Administration and collection of tax.
- 3.04.040 Consent to inspection of records.
- 3.04.050 Authorizing execution of contract for administration.
- 3.04.060 Penalties.

**3.04.010 Imposition of sales tax – Authority.**

There is imposed a sales or use tax, as the case may be, as authorized by RCW 82.14.030(2), upon every taxable event, as defined in RCW 82.14.020, occurring within the city. The tax shall be imposed upon and collected from those persons from whom the state sales or use tax is collected, pursuant to Chapters 82.08 and 82.12 RCW. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 1, 1985)

**3.04.020 Rate of tax.**

The rate of the tax imposed by SMC 3.04.010 shall be one-half of one percent of the selling price or value of the article used, as the case may be; provided, however, that during such period as there is in effect a sales tax or use tax imposed by Clallam County under Section 17(2), Chapter 49, Laws of 1982, First Extraordinary Session, at a rate equal to or greater than the rate imposed by this section, the county shall receive 15 percent of the tax imposed by this section; and provided further, that during such period as there is in effect a sales tax or use tax imposed by Clallam County under Section 17(2), Chapter 49, Laws of 1982, First Extraordinary Session, at a rate which is less than the rate imposed by this section, the county shall receive from the tax imposed by this section, that amount of revenues equal to 15 percent of the rate of the tax imposed by the county under Section 17(2), Chapter 49, Laws of 1982, First Extraordinary Session. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 2, 1985)

**3.04.030 Administration and collection of tax.**

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 3, 1985)

**3.04.040 Consent to inspection of records.**

The city consents to the inspection of such records as are necessary to qualify the city for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 4, 1985)

**3.04.050 Authorizing execution of contract for administration.**

The city manager and finance officer are authorized to enter into a contract with the Department of Revenue for the administration of this tax. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 5, 1985)

**3.04.060 Penalties.**

Any seller who fails or refuses to collect the tax as required with the intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any buyer who refuses to pay any tax due under this chapter shall be guilty of a misdemeanor, and upon conviction thereof shall be fined no more than \$500.00 or imprisoned for not more than six months, or by both such fine and imprisonment. (Ord. 2009-036 § 1; Ord. 2009-034; Ord. 468 § 6, 1985)

## 3.08.010

### Chapter 3.08

#### EXCISE TAX ON LEASES OF PUBLIC PROPERTY

##### Sections:

- 3.08.010 Tax imposed.
- 3.08.020 Rate of tax.
- 3.08.030 Administration and collection.
- 3.08.040 Exemptions.
- 3.08.050 Consent to inspection of records.
- 3.08.060 Authority to contract with state.
- 3.08.070 Severability.
- 3.08.090 Violation.

##### **3.08.010 Tax imposed.**

There is levied and shall be collected a leasehold excise tax July 1, 1976, upon the act or privilege of occupying or using publicly owned real or personal property within the city through a "leasehold interest" as defined by Section 2, Chapter 61, Laws of 1975-76, Second Extraordinary Session (hereafter in this chapter referred to as the "state act"). The tax shall be paid, collected and remitted to the Department of Revenue of the state at the time and in the manner prescribed by Section 5 of the state act. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 1, 1976)

##### **3.08.020 Rate of tax.**

The rate of the tax imposed by SMC 3.08.010 shall be four percent of the taxable rent (as defined by Section 2 of the state act); provided, that the following credits shall be allowed in determining the tax payable:

A. With respect to a leasehold interest arising out of any lease or agreement, the terms of which were binding on the lessee prior to July 1, 1970, where such lease or agreement has not been renegotiated (as defined by Section 2 of the state act) since that date, and excluding from such credit (i) any leasehold interest arising out of any lease of property covered by the provisions of RCW 28B.20.394 and (ii) any lease or agreement including options to renew which extends beyond January 1, 1985, as follows:

1. With respect to taxes due in calendar year 1976, a credit equal to 80 percent of the tax produced by the above rate;

2. With respect to taxes due in calendar year 1977, a credit equal to 60 percent of the tax produced by the above rate;

3. With respect to taxes due in calendar year 1978, a credit equal to 40 percent of the tax produced by the above rate;

4. With respect to taxes due in calendar year 1979, a credit equal to 40 percent of the tax produced by the above rate;

5. With respect to a product lease (as defined by Section 2 of the state act), a credit equal to 33 percent of the tax produced by the above rate. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 2, 1976)

##### **3.08.030 Administration and collection.**

The administration and collection of the tax imposed by the ordinance codified in this chapter shall be in accordance with the provisions of the state act. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 3, 1976)

##### **3.08.040 Exemptions.**

Leasehold interests exempted by Section 13 of the state act as it now exists or may hereafter be amended shall be exempt from the tax imposed pursuant to SMC 3.08.010. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 4, 1976)

##### **3.08.050 Consent to inspection of records.**

The city consents to the inspection of records as are necessary to qualify the city for inspection of records of the Department of Revenue pursuant to RCW 82.32.330. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 5, 1976)

##### **3.08.060 Authority to contract with state.**

The city manager is authorized to execute a contract with the Department of Revenue of the state for the administration and collection of the tax imposed by SMC 3.08.010; provided, that the city attorney shall first approve the form and content of the contract. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 6, 1976)

**3.08.070 Severability.**

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to any other persons or circumstance is not affected. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 7, 1976)

**3.08.090 Violation.**

Failure to pay the tax authorized by this chapter shall be a misdemeanor. (Ord. 2009-036 § 1; Ord. 2009-022; Ord. 335 § 8, 1976)

**Chapter 3.10**

**INITIATIVE AND REFERENDUM FOR  
TAX ORDINANCES**

(Repealed by vote of the people, 11/3/98)

**3.12.010**

**Chapter 3.12**

**CLAIMS AGAINST THE CITY**

Sections:

- 3.12.010 Auditing officer.
- 3.12.020 Authentication/certification of claims.
- 3.12.030 Bond required.
- 3.12.040 Policies adopted.
- 3.12.050 Finance committee.

**3.12.010 Auditing officer.**

The position of auditing officer is established to review and facilitate the payment of claims against the city. The finance director, or his/her designee, is named as the auditing officer for the city of Sequim. This chapter does not apply to any alleged tort claims. (Ord. 2009-036 § 1; Ord. 2009-017; Ord. 2002-005 § 1)

**3.12.020 Authentication/certification of claims.**

Upon a satisfactory review that a claim against the city is valid, the auditing officer shall certify that the claim is a just, due and unpaid obligation against the city on a form and in the manner prescribed by the State Auditor. No claim shall be paid without such authentication and certification. (Ord. 2009-036 § 1; Ord. 2009-017; Ord. 2002-005 § 2)

**3.12.030 Bond required.**

A. The auditing officer and the officer designated to sign the checks or warrants shall each be required to furnish an official bond for the faithful discharge of his/her duties in an amount of at least \$50,000.

B. A policy of insurance covering honest and faithful performance and insuring against the same perils as a bond may be utilized in lieu of any such bond. All such bonds or insurance policies in lieu of bonds shall be approved by the city attorney as to form. (Ord. 2009-036 § 1; Ord. 2009-017; Ord. 2002-005 § 3)

**3.12.040 Policies adopted.**

The legislative body has adopted contracting, hiring, purchasing, and disbursing policies that implement effective internal control. These policies are adopted under separate ordinance (Ordinance No. 2002-006, codified at Chapter 3.14 SMC). (Ord. 2009-036 § 1; Ord. 2009-017; Ord. 2002-005 § 4)

**3.12.050 Finance committee.**

A. There is hereby created a finance committee consisting of three members of the city council, which members shall be appointed annually by the mayor of the city of Sequim.

B. At least two of the finance committee members shall review the documentation supporting claims paid and recommend approval before the city council at its next regularly scheduled public meeting within one month of issuance.

C. The finance committee shall require that if, upon review, it disapproves a claim, the auditing officer and the officer designated to sign the checks or warrants shall jointly cause the disapproved claims to be recognized as receivables of the city and to pursue collection diligently until the amounts disapproved are collected or until the city council is satisfied and approves the claim. (Ord. 2009-036 § 1; Ord. 2009-017; Ord. 2002-005 § 5)

**Chapter 3.14**  
**PURCHASING**

Sections:

- 3.14.010 *Repealed.*
- 3.14.020 Administration.
- 3.14.030 *Repealed.*
- 3.14.040 *Repealed.*
- 3.14.050 *Repealed.*
- 3.14.060 *Repealed.*
- 3.14.070 *Repealed.*
- 3.14.080 *Repealed.*
- 3.14.090 Prohibited practices.
- 3.14.100 Disposition of public property.

**3.14.010 Definitions.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 1)*

**3.14.020 Administration.**  
Under direction of the city manager, the purchasing policies shall be administered in accordance with applicable state statutes, this chapter, and by other applicable laws. The city manager or his/her designee(s) shall have the responsibility and accountability to purchase and dispose of city property in accordance with state law and as established by resolution.

A. Prescribe and maintain such administrative policies, procedures and forms as are reasonably necessary to the operation of said purchasing system.

B. Periodically prepare a comprehensive list of surplus, worn out or obsolete city-owned equipment. Items which cannot be used or reassigned to another department shall be recommended to the manager for disposal as set by resolution, unless the cost of said surplus property exceeds \$5,000, in which case the manager shall hold an administrative hearing prior to disposal pursuant to RCW 39.33.020. (Ord. 2009-036 § 1; Ord. 2008-005 § 1; Ord. 2002-006 § 2)

**3.14.030 Local vendors.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 3)*

**3.14.040 Competitive bidding.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 4)*

**3.14.050 Small works roster.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 5)*

**3.14.060 Architectural and engineering services.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 6)*

**3.14.070 Bidding.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 7)*

**3.14.080 Exemptions to competitive bidding requirements.**  
*Repealed by Ord. 2008-005. (Ord. 2002-006 § 8)*

**3.14.090 Prohibited practices.**  
A. Collusion among Bidders. Any agreement or collusion among bidders or prospective bidders to either buy or sell, in restraint of freedom of competition, be it agreement to bid a fixed price, or otherwise, shall render the bids of such bidders void. Such bidders may be subject to possible exclusion from future bidding with the city when determined by the city manager to be in the best interest of the city.

B. Disclosure of Formal Bid Contents. Any disclosure in advance of the opening bids, of any information contained in the sealed or formal bid, made or permitted by a city officer or employee may render each bid void either by the city or the parties submitting bids. Appropriate disciplinary action shall be taken against both the persons revealing the information and the persons using the information. Notwithstanding anything herein to the contrary, all bids submitted by bidders taking advantage of any information revealed contrary to this section shall at once become null and void.

C. Gratuities. With the exception of normal business and social courtesies, or donations publicly given and accepted, the acceptance of any gift or gratuity in the form of cash, merchandise or any other thing of significant value

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by an official or employee of the city from any vendor or contractor, or prospective vendor or contractor, shall be prohibited.

D. Employee-Owned Businesses. City goods or services shall not be obtained from businesses in which city officials, employees or their immediate family members have a majority ownership interest.

E. Sale of Materials and Supplies. The city shall not use its purchasing power or lend its credit to acquire goods or services for any private party, nor shall the city sell its materials or supplies to city officials, employees, or the public except when said materials have been declared surplus and disposed of as provided herein. (Ord. 2009-036 § 1; Ord. 2008-005 § 1; Ord. 2002-006 § 9)

#### **3.14.100 Disposition of public property.**

Disposition of public property shall be in accordance with state laws and as established by resolution. Existing code shall remain in effect until a resolution is adopted by council setting forth a new policy for disposing of public property and referencing this code section.

Disposal of public property shall be done in the following manner:

A. Declaration as Surplus Property. Upon recommendation of the department head, the city manager may declare property surplus upon one or more of the following criteria:

1. The city has or soon will have no practical, efficient, or appropriate use for the property, nor will it have such a use for the property in the near future.

2. The purpose served by the property can be accomplished by use of a better, less costly, or more efficient alternative.

3. The purpose served by the property or its use no longer exists as determined by a change of policy evidenced by an ordinance or resolution of the city council.

4. The property is damaged, worn out, otherwise inoperable and the cost of repairing the same is unwise or impractical.

B. Sale of Property.

1. If a department head or authorized city representative has city property under his or her control or supervision which is deemed surplus to use, said employee shall notify the

city manager, who shall in turn notify interested department heads, supervisors or other city representatives and give them an opportunity to review their need for the same. If any of such persons desire to acquire and use the proposed surplus property, unless the manager disagrees, the property may be transferred to the requesting department head, or other authorized representative.

2. If no request for use of proposed surplus property is received, the city manager may then proceed to direct the disposal of the same by public auction, bid, or other method of sale on terms the manager deems to be in the best interest of the city.

3. Surplus personal property, which is not sellable because of obsolescence, wear and tear, or other reasons, may be dismantled, if necessary, and sold as scrap.

4. If the proposed surplus property is real property, notice of the proposal to declare the same surplus shall additionally be given to all city council members.

5. The decision to declare real property as surplus shall rest solely with the city council.

C. Trade of Real Property.

1. If the city manager determines that the real property declared surplus under this section could be sold for a greater consideration or benefit to the city if something other than cash were taken as consideration, then the manager may invite prospective purchasers to tender consideration, either cash or in-kind or a combination of both. Upon receipt of a bid tendering consideration in-kind, and if the manager considers such bid to be the best offer made, prior to accepting such a bid the manager shall make a report setting forth reasons for thinking the in-kind bid has the most value to the city. This report shall be made to the city council at a regular council meeting and the report shall remain open to public inspection.

2. Before accepting any bid containing in-kind consideration, an adequate appraisal must have been made by a qualified independent appraiser.

3. If the city council finds that the bid containing the in-kind consideration has more value or benefit to the city than any other bid

submitted, the manager may accept the bid containing in-kind consideration.

D. Lease of Public Property. When specifically provided for in the city budget, the city manager may authorize the lease or sublease of any property, including real property, under such terms and conditions as the manager may deem desirable, fair and appropriate, either by use of negotiations or bidding in the best interest of the city. Leases of real property shall not be granted for a period of more than five years. (Ord. 2009-036 § 1; Ord. 2008-005 § 1; Ord. 2002-006 § 10)

**Chapter 3.16**

**FEEES FOR PROCESSING  
ANNEXATION PETITIONS**

(Repealed by Ord. 99-003)

## 3.20.010

### Chapter 3.20

#### INVESTMENT OF INACTIVE FUNDS

##### Sections:

- 3.20.010 Purpose.
- 3.20.020 Committee to be appointed.
- 3.20.030 Investment of funds.
- 3.20.040 Council consent not required.
- 3.20.050 Report to council.
- 3.20.060 Conversion of funds.

##### **3.20.010 Purpose.**

The purpose of this chapter is to enable the city to invest its inactive funds in certain prescribed investments through an investment committee. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 1, 1968)

##### **3.20.020 Committee to be appointed.**

The mayor of the city, with consent of a majority of the city council, shall appoint a committee composed of two councilmen and a person designated by the city manager from the city finance department to make investments of any portions of the moneys in the city's inactive funds or in any other funds in excess of current needs. The city manager may manage funds in accordance with state law and as directed by the finance committee, as approved by the city council. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 2, 1968)

##### **3.20.030 Investment of funds.**

The moneys shall be invested in:

- A. United States bonds (RCW 39.59.020);
- B. United States certificates of indebtedness;
- C. Bonds or warrants of the state;
- D. General obligation or utility revenue bonds or warrants of the city or of any other city or town in the state;
- E. The city's own bonds or warrants of a local improvement or condemnation award district which is within the protection of the local improvement guaranty fund law; and

F. In other investments authorized by law, including, but not limited to, RCW 39.59.020, 39.59.030, 43.84.080 and 43.250.040. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 3, 1968)

##### **3.20.040 Council consent not required.**

The investments authorized as indicated in SMC 3.20.030 may be made by the city manager or the city manager's designee without the consent of the city council for each investment. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 4, 1968)

##### **3.20.050 Report to council.**

The investment committee shall make a report of all investments to the city council upon request of the council and shall keep the council informed of any substantial investment changes. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 5, 1968)

##### **3.20.060 Conversion of funds.**

The city council or the investment committee authorized to invest city funds may at any time convert the securities specified in SMC 3.20.030 purchased with city funds, or any part thereof, into cash. (Ord. 2009-036 § 1; Ord. 2009-023; Ord. 217 § 6, 1968)

**Chapter 3.24**

**CURRENT EXPENSE AND INDEBTEDNESS FUNDS**

Sections:

- 3.24.010 Funds created.
- 3.24.020 Indebtedness fund.
- 3.24.030 General or current expense fund.

**3.24.010 Funds created.**

There are created and established, pursuant to the laws of the state, two separate and distinct funds for the city, one fund to be designated as the current expense fund and the other to be designated as the indebtedness fund. (Ord. 2009-036 § 1; Ord. 39 § 1, 1916)

**3.24.020 Indebtedness fund.**

All money collected from the taxes levied for the payment of indebtedness shall on and after February 1, 1916, be credited and applied to the indebtedness fund. The indebtedness fund shall be used for the payment of all indebtedness of the city existing prior to February 1, 1916, and all outstanding warrants of the city drawn prior to February 1, 1916, shall be payable out of the indebtedness fund. (Ord. 2009-036 § 1; Ord. 39 § 2, 1916)

**3.24.030 General or current expense fund.**

All money collected from the taxes levied for the payment of current expenses shall after February 1, 1916, be credited and applied to the current expense fund, also called the general fund, and that all money collected from all licenses, poundage fees, police court fines or other receipts coming into the city treasurer's office, except indebtedness fund taxes, shall be credited and applied to the current expense fund. All current expenses incurred by the city from and after February 1, 1916, shall be on warrants drawn only upon the current expense fund. (Ord. 2009-036 § 1; Ord. 39 § 3, 1916)

**Chapter 3.28**

**GARBAGE FUND**

Sections:

- 3.28.010 Fund established.
- 3.28.020 *Reserved.*

**3.28.010 Fund established.**

There is established a garbage fund for the city. (Ord. 2009-036 § 1; Ord. 337 § 1, 1976)

**3.28.020 Maintenance of fund.**

*Reserved by Ord. 2005-029.* (Ord. 2009-036 § 1; Ord. 337 § 2, 1976)

**3.30.010**

**Chapter 3.30**

**CONTINGENCY FUND**

Sections:

3.30.010 Contingency fund.

**3.30.010 Contingency fund.**

A. There is hereby created for the city a fund to be known as the “contingency fund.”

B. The contingency fund shall be supported by a budgetary appropriation from any tax or revenue source not restricted to any use by law, and may also be supported by a transfer from any other unexpended or decreased fund made available by ordinance; provided, that the total amount accumulated in such fund at any time shall not exceed the equivalent of \$0.375 per \$1,000 of assessed valuation of property within the city at the time. Any moneys in the contingency fund at the end of the fiscal year shall not lapse except upon reappropriation by the city council to another fund in the adoption of a subsequent city budget.

C. No money shall be withdrawn from the contingency fund except by transfer to an appropriate operating fund authorized by ordinance or resolution or by direction of the council reflected in council minutes clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be and specifying the fund to which the withdrawn money shall be transferred. (Ord. 2009-036 § 1; Ord. 2009-020; Ord. 93-019 § 2)

**Chapter 3.31**

**SEQUIM 2000 CREDIT CARD FUND**

(Repealed by Ord. 2005-029)

## Chapter 3.32

### LOCAL IMPROVEMENT GUARANTY FUND

Sections:

- 3.32.010 Fund created.
- 3.32.020 Maintenance of fund.
- 3.32.030 Warrants.
- 3.32.040 Purchases in order of presentation.
- 3.32.050 Protection of fund.
- 3.32.060 Interest and earnings.

#### **3.32.010 Fund created.**

Pursuant to RCW 35A.37.010, there is created a fund of the city to be known and designated as the local improvement guaranty fund, for the purpose of guaranteeing, to the extent of the fund, in the manner provided by law and this chapter, the payment of local improvement bonds and warrants to pay the cost of improvements constructed in all local improvement districts of the city. (Ord. 2009-036 § 1; Ord. 263 § 1, 1972)

#### **3.32.020 Maintenance of fund.**

From time to time hereafter for the purpose of maintaining the local improvement guaranty fund, the city shall at the time of making its annual budget and tax levy provide for the levy of a sum sufficient, with other resources of the fund, to meet the financial requirements of the fund; provided, that the levy in any one year does not exceed five percent of the outstanding obligations guaranteed by the fund. (Ord. 2009-036 § 1; Ord. 263 § 2, 1972)

#### **3.32.030 Warrants.**

Warrants drawing interest at a rate of not to exceed six percent shall be issued against the local improvement guaranty fund to meet any liability accruing against it. The warrants so issued shall at no time exceed five percent of the outstanding obligations guaranteed by the fund. At the time of making its annual budget and tax levy, the city shall provide for the levying of a sum sufficient, with other resources of the fund, to pay warrants so issued during the preceding fiscal year. (Ord. 2009-036 § 1; Ord. 263 § 3, 1972)

#### **3.32.040 Purchases in order of presentation.**

Defaulted bonds, interest coupons and warrants against local improvement district funds of the city shall be purchased out of the guaranty fund. As between the several issues of bonds, coupons or warrants no preference shall exist, but they shall be purchased in the order of their presentation. (Ord. 2009-036 § 1; Ord. 263 § 4, 1972)

#### **3.32.050 Protection of fund.**

A. For the purpose of protecting the guaranty fund, so much of the guaranty fund as is necessary may be used to purchase certificates of delinquency for general taxes on property subject to local improvement assessments which underlie the bonds, coupons or warrants guaranteed by the fund or to purchase such property at county tax foreclosures or from the county after foreclosure.

B. The city, as trustee of the fund, may foreclose the lien of general taxes, certificates of delinquency and purchase the property at foreclosure sale. When so doing, the court costs, cost of publication, expense for clerical work and other expenses incidental thereto shall be charged to and paid from the local improvement guaranty fund.

C. After acquiring title to property by purchase at general tax foreclosure sale or from the county after foreclosure, the city may lease it or sell it at public or private sale at such price and on such terms as may be determined by the resolution of the council. All proceeds shall belong to and be paid into the local improvement guaranty fund. (Ord. 2009-036 § 1; Ord. 263 § 5, 1972)

#### **3.32.060 Interest and earnings.**

A. Interest and earnings from the local improvement guaranty fund shall be paid into the fund. If in any local improvement fund guaranteed by the local improvement guaranty fund there is a surplus remaining after the payment of all outstanding bonds and warrants payable therefrom, it shall be paid into the local improvement guaranty fund.

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B. Whenever any sum is paid out of the local improvement guaranty fund on account of the principal or interest of a local improvement bond or warrant, the city, as trustee of the fund, shall be subrogated to all rights of the holder of the bonds or interest coupon or warrant so paid and the proceeds thereof or of the underlying assessment shall become a part of the guaranty fund. (Ord. 2009-036 § 1; Ord. 263 § 6, 1972)

### Chapter 3.36

#### CAPITAL PROJECTS FUND

Sections:

3.36.010 Fund established.

#### **3.36.010 Fund established.**

A. There is established a capital projects fund for the city, such fund to be used to accrue moneys for the construction and/or completion of capital projects.

B. The fund shall be kept as a separate fund of the city and shall be separately listed and disclosed upon the city budget. (Ord. 2009-036 § 1; Ord. 495 § 1, 1986)

**Chapter 3.40**

**Chapter 3.42**

**FIRE DEPARTMENT DONATION FUND**

**POLICE ASSET SEIZURE FUND NO. 121**

(Repealed by Ord. 99-003)

Sections:

- 3.42.010 Created.
- 3.42.020 Purpose.
- 3.42.030 Maintenance and use of proceeds.
- 3.42.040 Unexpended funds.

**3.42.010 Created.**

There is created and established a special revenue-type fund to be known as the “police asset seizure fund No. 121” into which the net proceeds of the following will be placed:

A. RCW 69.50.505 provides for the seizure and forfeiture of property connected with the manufacture, compounding, processing, delivery, importing, or exporting of illegal narcotics and drugs (controlled substances) by law enforcement agencies, including the Sequim police department.

B. RCW 46.61.5058 provides for the seizure and forfeiture of a vehicle connected with driving a motor vehicle while meeting or exceeding the Washington State recognized level of intoxication (DUI) and having had a prior conviction within seven years as defined in RCW 46.61.5055.

C. Chapter 9A.83 RCW et seq. provides for the seizure and forfeiture of proceeds and property connected with money laundering.

D. Moneys derived as a result of the Federal Comprehensive Crime Control Act. (Ord. 2009-036 § 1; Ord. 2009-031 § 1; Ord. 99-004 § 1)

**3.42.020 Purpose.**

The city has previously established the police expendable trust fund No. 621 to hold pending, unresolved, seized or forfeited moneys as cited above until legally resolved. Therefore, it is the purpose of this chapter to create and maintain a separate special revenue type fund entitled “police asset seizure fund No. 121” to deposit the net portion of forfeited proceeds after payment to the Washington State Treasurer and settlement of all claims as required by the RCW and federal laws. This fund shall be kept as a separate fund of the city

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of Sequim and shall be separately listed and disclosed upon the Sequim city budget as fund No. 121. Moneys shall not be commingled with other city moneys. (Ord. 2009-036 § 1; Ord. 2009-031 § 1; Ord. 99-004 § 1)

#### **3.42.030 Maintenance and use of proceeds.**

A. The net proceeds in this fund are to be used to assist the Sequim police department in funding drug enforcement as determined by the Sequim city manager and the chief of police. RCW 69.50.505 states, "Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources." The city finance officer shall have authority to manage these funds in the city budget and to create such funds as may be necessary.

B. The city finance officer shall establish a savings/checking account with a local bank for the deposit of needed proceeds to this fund. This account is intended to maintain any necessary confidential information with any purchases or expenditures from this account.

C. Withdrawals from the account shall require written authorization of the chief of police and the city manager.

D. Checks written for the police asset seizure bank account will require the signature of the city manager or finance officer.

E. Confidential funds used for the purchase of evidence, contraband, information from informants or investigative expenses must meet at least the current minimum requirements for receipt documentation as required by the RCW and the Washington State Budgeting, Accounting, and Reporting manual (BARS) and requirements of RCW 69.50.505.

F. All bank statements for this fund will be given to the city finance officer on a regular basis.

G. The city finance officer is also authorized to invest the moneys from the police asset seizure fund as a separate secure investment. (Ord. 2009-036 § 1; Ord. 2009-031 § 1; Ord. 99-004 § 1)

#### **3.42.040 Unexpended funds.**

Any unexpended funds remaining in the police asset seizure fund at the end of any budget year shall not be transferred to the general fund or otherwise lapse; rather, said unexpended funds shall be carried forward from year to year until expended for the purposes set forth in this chapter or as otherwise directed by ordinance of the city council. (Ord. 2009-036 § 1; Ord. 2009-031 § 1; Ord. 99-004 § 1)

**Chapter 3.44**

**POLICE DEPARTMENT  
DONATION FUND**

Sections:

- 3.44.010 Donations to be deposited in fund.
- 3.44.020 Disposition of funds.

**3.44.010 Donations to be deposited in fund.**

Any officer collecting or receiving any money donated for the use of the city police department shall return such money to the city clerk, who shall immediately pay it into the treasury of the city, to be credited to a fund to be established as the Sequim police department donation fund. (Ord. 2009-036 § 1; Ord. 474 § 1, 1985)

**3.44.020 Disposition of funds.**

A. To the extent that any donation, devise or bequest requests a particular appropriation and/or use for the donation, devise or bequest made, the city shall endeavor to see that the funds donated are so applied.

B. In the absence of any such specific request, the city council may direct the expenditure or use of the funds for such police department purposes as shall be determined by the city council to be in the best interests of the city and the police department; provided, that the use of such money shall be designated and used to provide services and/or facilities within the powers granted by law to the city and to the police department. (Ord. 2009-036 § 1; Ord. 474 § 2, 1985)

**Chapter 3.46**

**PAYROLL FUND – CLAIMS FUND**

Sections:

- 3.46.010 Funds established.

**3.46.010 Funds established.**

There is established a separate fund for the city which shall be known as the payroll fund, and another separate fund which shall be known as the claims fund. The city manager, after consultation with the city attorney, and approval of the risk manager, and the risk pool or city insurer, shall have authority to settle small claims not exceeding \$5,000 from the claims fund; provided, however, that such releases shall be in exchange for a full release and hold harmless agreement. (Ord. 2009-036 § 1; Ord. 2009-029; Ord. 536 § 2, 1989)

**Chapter 3.48**

**WATER AND SEWER FUNDS**

Sections:

- 3.48.010 Creation of separate revenue funds.
- 3.48.020 Creation of separate general facility (construction) funds.
- 3.48.030 Water replacement reserve fund.
- 3.48.040 Sewer replacement reserve fund.
- 3.48.050 Mitigation funds.

**3.48.010 Creation of separate revenue funds.**

There are created in the office of the city treasurer two special funds of the city to be known as the water revenue fund and the sewer revenue fund, into which shall be paid all the earnings, revenue and moneys derived from the operation and ownership of the water system and sewerage system, respectively, and out of which shall be paid the costs of maintenance and operation of the water system and sewerage system, respectively. (Ord. 2009-036 § 1; Ord. 2009-035; Ord. 444 § 2, 1983)

**3.48.020 Creation of separate general facility (construction) funds.**

There are created two special funds of the city to be known as the water general facility fund and the sewer general facility fund, into and out of which shall be paid moneys for the acquisition, construction and installation of additions and betterments to and extensions of the water system and sewerage system, respectively, and costs and expenses incidental thereto. (Ord. 2009-036 § 1; Ord. 2009-035; Ord. 444 § 3, 1983)

**3.48.030 Water replacement reserve fund.**

There is established a separate fund for the city which shall be known as the water replacement reserve fund. The fund shall establish a reserve for replacement of domestic water distribution facilities of the city and be expended as the replacement is needed. (Ord. 2009-036 § 1; Ord. 2009-035; Ord. 518 § 2, 1987)

**3.48.040 Sewer replacement reserve fund.**

There is established a separate fund for the city which shall be known as the sewage replacement reserve fund. The fund shall establish a reserve for replacement of sewage distribution facilities of the city and be expended as the replacement is needed. (Ord. 2009-036 § 1; Ord. 2009-035; Ord. 519 § 2, 1987)

**3.48.050 Mitigation funds.**

There is authorized to be established, when needed, mitigation funds for both water system mitigation and sewer system mitigation. Such funds shall be considered dedicated funds to be expended only as provided by law, ordinance or contract for such mitigation funds. (Ord. 2009-036 § 1; Ord. 2009-035)

**Chapter 3.52**

**COMBINED UTILITY BILLINGS**

Sections:

- 3.52.010 Purpose.
- 3.52.020 Definitions.
- 3.52.030 Responsibility of owner.
- 3.52.040 Payment.
- 3.52.050 Delinquent bills – Notice.
- 3.52.060 Dishonored checks.
- 3.52.070 Disconnection of services.
- 3.52.080 Interest on delinquent bills.
- 3.52.090 Collection costs.
- 3.52.100 Charges to be lien on real property served.
- 3.52.110 Creation of accounts – Deposits.
- 3.52.120 Foreclosure of lien.
- 3.52.130 Retroactive effect of chapter.
- 3.52.140 Failure to give notice.
- 3.52.150 Remedies not exclusive.
- 3.52.160 Attorney’s fee.

**3.52.010 Purpose.**

It is the purpose of this chapter to establish and provide for a uniform billing and collection procedure for the city utility services. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 1, 1986)

**3.52.020 Definitions.**

As used in this chapter, the following terms shall have the meanings ascribed to them in this section:

- A. “Account” is defined as a record of charges for services provided related to water, sewer and solid-waste utilities.
- B. “Combined utility bill” means a bill for water, sewer and solid-waste services or any combination thereof rendered for a specific time period.
- C. Delinquent (Past Due) Bill. A bill becomes delinquent 25 days after the date of mailing.
- D. “Notice of delinquent account” means a notice to remit payment within 10 days or be subject to shut off.
- E. “Shut off” means the discontinuation of water service. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 2, 1986)

**3.52.030 Responsibility of owner.**

All utility charges will be charged against the property to which the services were furnished and against the owners of the property. Accounts shall be kept in the name of the owner of the property and not in the name of any tenant; and the owner only, or his legally authorized agent, shall be held responsible for payment of utility service charges; provided, that persons holding property under a written lease agreement, upon a written application to the city signed by the owner of the property and the tenant, and where it is more convenient to keep the account in the name of the tenant, may be billed accordingly. The owner shall not be released from the responsibility for payment and must pay in case the agent or tenant refuses or neglects to do so. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 3, 1986)

**3.52.040 Payment.**

- A. Within 25 days of the date of mailing, any combined utility bill not fully paid shall be deemed a delinquent bill.
- B. Payment shall be made to the office of the city clerk of the city. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 4, 1986)

**3.52.050 Delinquent bills – Notice.**

- A. All utility bills of the city shall be delinquent if payment therefor is not received by the city on or before the twenty-fifth day after the current-charges date posted on the bill. Such current-charges date shall be stated on the bill with particularity.
- B. Upon lapse of a bill into delinquency, the city clerk or his/her designee shall cause a notice of delinquent account to be deposited in the United States Mail, addressed to the consumer at the address of the property serviced or billing address on file.
- C. Deposit in the United States Mail pursuant to subsection B of this section shall be deemed full and complete notice to the consumer of the nature and amount of any particular utility billing.
- D. The notice of delinquent account shall state that unless all delinquencies are corrected within 10 days of the date of the notice of delinquent account, the city will disconnect or

### 3.52.060

discontinue water service without further notice on or after a date certain to be stated in the notice of delinquent account. The notice of delinquent account shall further state that, if the consumer has questions concerning the amount of the account, he/she may appeal to the city clerk whose address and telephone number shall be stated on the notice of delinquent account.

E. An account which has become delinquent shall be charged a penalty fee set forth in the city council adopted fee resolution, as amended. For the purposes of this subsection, when an account receives a third penalty in a 12-month period, the administrative services director or his/her designee may request a deposit or an additional deposit in accordance with SMC 3.52.110.

F. Failure to receive mail or notices is not a valid reason for failure to pay bills when due.

G. Litigation. In lieu of the above or in addition to the above, the city may commence litigation to obtain a judgment for unpaid bills if necessary. The city shall make reasonable efforts to avoid litigation. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 2003-006; Ord. 487 § 5, 1986)

### 3.52.060 Dishonored checks.

A fee as established by resolution will be assessed for each check returned by a bank or savings and loan association due to insufficient funds or closed account. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 2005-029 § 2; Ord. 487 § 6, 1986)

### 3.52.070 Disconnection of services.

A. Should a delinquent account not be paid pursuant to SMC 3.52.050, the city clerk or his/her designee shall immediately cause the water services to be cut off from the premises, and such services shall not be reconnected until all arrears, delinquent charges, service charges and unpaid charges are paid, together with a reconnection fee and deposit pursuant to SMC 3.52.110.

B. Minimum charges for water, sewerage and garbage collections shall be in effect as long as the water meter remains in service, even though the water has been shut off. These

charges will only be discontinued if the owner requests the water meter be disconnected and the premises are uninhabited.

C. There shall be a reconnect charge of \$50.00 or as set forth in the city council adopted fee resolution, as amended, whichever is the greater, for the resumption of city utility services to properties which have been previously disconnected for nonpayment.

D. After a shut-off notice has been sent by the city, water shall be shut off unless full payment of the account of the premises served is made. Full payment shall include charges for interest and collection costs incurred by the city as set forth in SMC 3.52.090 and 3.52.100. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 7, 1986)

### 3.52.080 Interest on delinquent bills.

The city shall charge interest on delinquent accounts at the rate of 12 percent per annum or the maximum allowed by law. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 8, 1986)

### 3.52.090 Collection costs.

Costs incurred by the city in collecting or attempting to collect delinquent accounts shall be chargeable to the premises served and shall be added to the account billed. The charges may include the following:

- A. Postage;
- B. Attorney's fees;
- C. Secretarial time;
- D. Long-distance telephone expenses;
- E. Mileage;
- F. Costs of service of notices and/or other process;

G. Filing fees and court costs as allowed pursuant to the Rules for Superior Courts of the state. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 9, 1986)

### 3.52.100 Charges to be lien on real property served.

A. To the extent provided by the laws of the state, the delinquent utility charges shall become a lien upon the real property to which the utility services have been provided. The lien shall include those amounts provided for under the laws of the state.

B. The city may, at the city's sole discretion, file and record a notice of such lien with the office of the auditor of Clallam County.

C. The lien shall have priority over all other liens and interest in the real property to the extent provided by the laws of the state. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 10, 1986)

### **3.52.110 Creation of accounts – Deposits.**

A. 1. At the time an account is requested and before it is authorized, the finance officer or his/her designee shall require the person requesting services to make a deposit with the city if they are not the property owner, or are not on city water. If they are the owner of a property that the city provides with water, they may either make a deposit or present a copy of a verifiable prior utility credit rating deemed suitable to assure with certainty that the account with the city will not become delinquent. A deposit, if required, will normally be based on 60 days of average residential charges for the unit type for which services are requested.

2. Nothing in this section shall prevent the city requiring additional or new deposits when conditions such as chronic delinquencies warrant.

B. A deposit, once established, may be refunded in whole or in part to the person or credited to the account of that person upon receipt by the city of the person's prior utility credit rating deemed suitable by the finance officer or his/her designee; provided, that the property is served by city water and the occupant is the owner of the property. In the absence of such documentation, the deposit may be retained by the city until an account is ordered off or otherwise discontinued. The city may then, at its option, apply such deposit to pay fully any remaining charges on the account. Under no circumstances shall any part of the deposit be used as payment for charges until an account has been finalized and all services have been discontinued. If circumstances such as timely payment history warrant, the finance officer or his/her designee may, by determining that the city is assured with certainty that an account will not become

delinquent, release all or part of the deposit to the depositor at his/her request; provided, however, that no such refund will occur for at least 12 months from the time of initial deposit.

C. A deposit may be required on commercial accounts in a manner consistent with the procedure set forth in this section when the finance officer or his/her designee determines that such deposit is necessary based on utility credit rating and/or payment history. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 497 § 1, 1986; Ord. 487 § 11, 1986)

### **3.52.120 Foreclosure of lien.**

The city may bring an action to foreclose liens filed under this chapter in the superior court of Clallam County. The action may alternatively request a judgment for damages against the owner of the premises in the amount of arrearages and collection costs and interest as previously set forth in this chapter. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 12, 1986)

### **3.52.130 Retroactive effect of chapter.**

All accounts in the name of the renter, lessee or tenant of the property and not in the name of the owner at the time of passage of the ordinance codified in this chapter shall have until the first day of June, 1986, to comply with the provisions of this chapter. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 13, 1986)

### **3.52.140 Failure to give notice.**

Failure on the part of the city to provide notices to the delinquent accounts as set forth in this chapter on the dates set forth shall not constitute a waiver on the part of the city to subsequently provide such notices and effect the remedies provided for in this chapter. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 14, 1986)

### **3.52.150 Remedies not exclusive.**

The remedies provided in this chapter are not exclusive, and the city retains the right to such other remedies as it may have at law. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 15, 1986)

**3.52.160**

**3.52.160 Attorney's fee.**

In any action brought pursuant to this chapter, the prevailing party shall be entitled, in addition to costs allowed by the court rules, to a reasonable attorney's fee to be established by the court. (Ord. 2009-036 § 1; Ord. 2009-018; Ord. 487 § 16, 1986)

**Chapter 3.56**

**REAL ESTATE EXCISE TAX FUND**

Sections:

3.56.010 Purpose.

3.56.020 Fund established.

**3.56.010 Purpose.**

The city deems it advisable to establish a separate fund in which to pay the real estate excise tax imposed by the city upon real estate transactions, for appropriate distribution for purposes in accordance with the terms of the state enabling legislation. (Ord. 2009-036 § 1; Ord. 606 § 1, 1991)

**3.56.020 Fund established.**

There is hereby established a separate fund for the city which shall be known as the real estate excise tax fund. City revenues from the imposition of the real estate excise tax shall be deposited therein and expenditures therefrom shall be for purposes as allowed by law. (Ord. 2009-036 § 1; Ord. 606 § 2, 1991)

**Chapter 3.62****REAL ESTATE EXCISE TAX**

## Sections:

- 3.62.010 Purpose.
- 3.62.020 Imposition of real estate excise tax.
- 3.62.030 Taxable events.
- 3.62.040 Consistency with state tax.
- 3.62.050 Distribution of tax proceeds and limiting the use thereof.
- 3.62.060 Lien provisions.
- 3.62.070 Seller's obligation.
- 3.62.080 Notation of payment.
- 3.62.090 Date payable.
- 3.62.100 Refunds.

**3.62.010 Purpose.**

A. Pursuant to Chapter 82.46 RCW, the State Legislature has empowered cities to adopt an excise tax on each sale of real property within the corporate limits to be collected by the county treasurer and used for municipal improvements; and

B. Most cities in the state have adopted the real estate excise tax; and

C. The city council finds that the city requires additional revenue sources in order to fund necessary municipal improvements and that the real estate excise tax is an appropriate tax for generating such necessary funds;

D. The city council ordains the sections set forth in this chapter. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.020 Imposition of real estate excise tax.**

There is hereby imposed an excise tax on each sale of real property within the corporate limits of the city at the rate of one-quarter of one percent of the selling price. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.030 Taxable events.**

The tax imposed in this chapter shall be collected from persons who are taxable by the state under Chapter 82.45 RCW and Chapter 458-61 WAC upon the occurrence of any tax-

able event as therein defined within the corporate limits of the city. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.040 Consistency with state tax.**

The tax imposed in this chapter shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under Chapter 82.45 RCW and Chapter 458-61 WAC. The provisions of those chapters shall apply as though fully set forth in this section. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.050 Distribution of tax proceeds and limiting the use thereof.**

A. The county treasurer shall place one percent of the proceeds of the taxes imposed in this chapter in the county current expense fund to defray costs of collection.

B. The remaining proceeds from the taxes imposed in this chapter shall be distributed to the city monthly and shall be placed by the clerk-treasurer in a municipal capital improvements fund to be used for municipal improvements.

C. This section shall not limit the existing authority of the city to impose special assessments on property specially benefited thereby in the manner prescribed by law. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.060 Lien provisions.**

The tax imposed in this chapter and any interest or penalties thereon is a specific lien upon each piece of real property sold from the time of sale until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. (Ord. 2009-036 § 1; Ord. 602, 1991)

**3.62.070 Seller's obligation.**

The tax imposed in this chapter is the obligation of the seller and may be enforced through an action of debt against the seller or in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election to forgo the other. (Ord. 2009-036 § 1; Ord. 602, 1991)

### 3.62.080

#### 3.62.080 Notation of payment.

The tax imposed in this chapter shall be paid to and collected by the treasurer of Clallam County. The county treasurer shall act as agent for the city. The county treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate tax affidavit in the case of used mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed herein shall be evidence of the satisfaction of the lien imposed in SMC 3.62.060 and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the county treasurer. (Ord. 2009-036 § 1; Ord. 602, 1991)

#### 3.62.090 Date payable.

The tax imposed hereunder shall become due and payable immediately at the time of sale and, if not so paid within 30 days thereafter, shall bear interest at the rate of one percent per month from the time of sale until date of payment. (Ord. 2009-036 § 1; Ord. 602, 1991)

#### 3.62.100 Refunds.

Any contest of the application of the real estate excise tax or any other petition for a refund shall comply with WAC 458-61-100 as now or hereafter amended. Any refund made shall be withheld from the next monthly distribution to the city. (Ord. 2009-036 § 1; Ord. 602, 1991)

### Chapter 3.66

#### CARRIE BLAKE PARK TRUST FUND

##### Sections:

- 3.66.010 Purpose.
- 3.66.020 Fund 701 established.
- 3.66.030 Disposition of principal and income from fund.
- 3.66.040 Fund presented in annual budget report.

#### 3.66.010 Purpose.

It is the purpose of this chapter to establish a nonexpendable trust fund into which the sum of \$25,000 bequeathed to the city by Albert Haller may be placed, with the principal to remain undistributed and the net income therefrom to be used from time to time at the discretion of the city for the purposes of maintaining, caring for and improving Carrie Blake Park, a municipal park. (Ord. 2009-036 § 1; Ord. 640 § 1, 1992)

#### 3.66.020 Fund 701 established.

It is hereby established in the city Fund 701, which shall be a nonexpendable trust fund. (Ord. 2009-036 § 1; Ord. 640 § 2, 1992)

#### 3.66.030 Disposition of principal and income from fund.

The principal balance of the fund shall remain in accordance with the terms of the bequest of Albert Haller, and the net income from the fund may be expended only for purposes of maintaining, caring for and improving Carrie Blake Park, a municipal park. (Ord. 2009-036 § 1; Ord. 640 § 3, 1992)

#### 3.66.040 Fund presented in annual budget report.

This fund, once established, shall be presented upon the city's annual budget report and deposits of interest thereto and expenditures therefrom shall be shown in like manner as for other city funds. (Ord. 2009-036 § 1; Ord. 640 § 4, 1992)

**Chapter 3.68**

**FEES\***

(Repealed by Ord. 97-028)

\*Code reviser’s note: Building and land use fees can be found in Chapter 20.05 SMC.

**Chapter 3.70**

**ADVANCE TRAVEL FUND**

Sections:

- 3.70.010 Established.
- 3.70.020 Separate checking account.
- 3.70.030 Charge cards.

**3.70.010 Established.**

The city clerk/finance officer is hereby directed and ordered to establish, within a reasonable period of time, a revolving fund to be used solely for the purpose of making advance payments of travel, pursuant to RCW 42.24.130. (Ord. 2009-036 § 1; Ord. 96-017 § 1)

**3.70.020 Separate checking account.**

Pursuant to RCW 42.24.130, the city clerk/finance officer is hereby directed and ordered to open a checking account, within a reasonable period of time, on behalf of the city of Sequim for the purpose of paying travel advancements. Authorized signatures shall be the city manager, city clerk/finance officer, and deputy city clerk/finance officer. Moneys utilized to establish this fund shall be allocated from the current expense fund in the amount of \$5,000. Any interest earned on this fund will be allocated to the current expense fund. (Ord. 2009-036 § 1; Ord. 96-017 § 2)

**3.70.030 Charge cards.**

Pursuant to RCW 42.24.115, charge cards may be issued and utilized by officers and employees of the city for the purpose of covering expenses incident to authorized travel. Such use of such cards shall comply with RCW 42.24.115 and city policy. (Ord. 2009-036 § 1)

**Chapter 3.72**

**LODGING TAX**

Sections:

- 3.72.010 Levied.
- 3.72.020 Definitions.
- 3.72.030 Additional to other taxes.
- 3.72.040 Fund established.
- 3.72.041 Lodging tax advisory committee.
- 3.72.050 Collection and administration.
- 3.72.060 Violation – Penalty.

**3.72.010 Levied.**

Pursuant to Chapter 67.28 RCW there is levied a special excise tax of four percent on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW. The tax imposed under Chapter 82.08 RCW applies to the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, or trailer camp, and the granting of similar license to use real property, as distinguished from the renting or leasing of real property. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 1)

**3.72.020 Definitions.**

The definitions of “selling price,” “seller,” “buyer,” “consumer,” and all other definitions as are now contained in RCW 82.08.010, and subsequent amendments thereto, are adopted as the definitions for the tax levied in this chapter. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 2)

**3.72.030 Additional to other taxes.**

The tax levied in this chapter shall be in addition to any license fee or any tax imposed or levied under any law or any other ordinance of the city; provided, the first two percent of the tax shall be deducted from the amount of tax the seller would otherwise be required to

collect and pay to the Department of Revenue under Chapter 82.08 RCW. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 3)

**3.72.040 Fund established.**

There is created a special fund in the treasury of the city and all taxes collected under this chapter shall be placed in this special fund to be used solely for the purpose of paying all or any part of the costs of tourist promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW, as now or hereafter amended. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 4)

**3.72.041 Lodging tax advisory committee.**

A lodging tax advisory committee, conforming with the requirements of RCW 67.28.1817, is created (Chapter 2.68 SMC) and shall serve the functions as provided in RCW 67.28.1817. (Ord. 2009-036 § 1; Ord. 2009-025)

**3.72.050 Collection and administration.**

For the purpose of the tax levied in this chapter:

A. The Department of Revenue is designated as the agent of the city for the purposes of collection and administration of the tax.

B. The administrative provisions contained in RCW 82.08.050 through 82.08.070 and in Chapter 82.32 RCW shall apply to administration and collection of the tax by the Department of Revenue.

C. All rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW are adopted by reference.

D. The Department of Revenue is authorized to prescribe and utilize such forms and reporting procedures as the Department may deem necessary or appropriate. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 5)

**3.72.060 Violation – Penalty.**

It is unlawful for any person, firm, or corporation to violate or fail to comply with any of the provisions of this chapter. Every person

convicted of a violation of any provision of this chapter shall be punished by a fine in the sum not to exceed \$500.00. Each day of violation will be considered a separate offense. (Ord. 2009-036 § 1; Ord. 2009-025; Ord. 97-017 § 6)

**Chapter 3.74**

**DONATIONS, DEVICES OR BEQUESTS**

Sections:

- 3.74.010 Definition.
- 3.74.020 Acceptance of donations.
- 3.74.030 Adoption of donation policy.
- 3.74.040 Funds and accounting.

**3.74.010 Definition.**

As used in this chapter, the term “donation” refers to any money or property, real or personal, donated, devised or bequeathed, with or without restriction, to the city of Sequim. (Ord. 2009-036 § 1; Ord. 2002-003 § 1)

**3.74.020 Acceptance of donations.**

A. Monetary Donations. The city manager is authorized to accept monetary donations to the city, and to carry out the terms of the donation, devise, or bequest, if the purposes and conditions of the donation are within the powers granted by law to the city. If no terms or conditions are attached to the donation, devise or bequest, the city may expend or use the same for any municipal purpose.

B. Nonmonetary Donations. The city manager is authorized to determine the appropriateness, usefulness and value to the city of all nonmonetary donations and to recommend to city council the retention, improvement, return to donor, transfer, trade, sale, donation to other agency, or other disposition.

C. Nonacceptance of Donation. The city manager may decline to accept a donation if such donation is not consistent with the policies, plans, goals or ordinances of the city of Sequim or if acceptance of same is contrary to law. (Ord. 2009-036 § 1; Ord. 2002-003 § 2)

**3.74.030 Adoption of donation policy.**

The city of Sequim hereby adopts the following as its donation policy:

A. Purpose. To establish policy and procedures for the acceptance of monetary and nonmonetary donations to the city.

B. Policy.

1. Consideration. To consider the acceptance of any monetary and nonmonetary dona-

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tions, devises, or bequests from private citizens, business groups or other organizations. Considerations include the use of the donation, restrictions associated with the donation, costs associated with and effective use of the donation.

#### 2. Procedures.

a. All proposals for gifts shall be directed to the city manager or his/her designee.

b. Offers should be made in writing. The donation agreement form shall be completed and distributed.

c. The city manager may decline to accept a donation if such donation is not consistent with the policies, plans, goals or ordinances of the city of Sequim or if acceptance of same is contrary to law.

d. Monetary donations for a specific purpose may be made. However, design standards and location must be as established by the director of public works.

e. Monetary donations shall be approved by the city manager.

f. Nonmonetary donations shall be reviewed by the city manager who shall then make recommendations to the city council.

g. The city retains the right to use these donated items as it deems appropriate or to relocate the item if redevelopment of the area warrants this action.

3. Ownership. Any donations to the city become the property of the city.

4. Memorial Plaques. Bronze memorial plaques may be purchased and placed on benches, fountains, and picnic tables. If the donor does not wish to purchase a bronze plaque, a brass plaque can be placed on a gifting wall located in Carrie Blake Park at no additional cost. Brass plaques will be used for other donated items and placed on a gifting wall located in Carrie Blake Park. Upon receipt and acceptance of the donation, the city will order the memorial plaque. (Ord. 2009-036 § 1; Ord. 2002-003 § 3(Exh. A))

out the terms and conditions of any donation, devise or bequest, in accordance with the laws of the state of Washington and requirements of the Office of the State Auditor. (Ord. 2009-036 § 1; Ord. 2002-003 § 4)

### 3.74.040 Funds and accounting.

The finance officer is authorized and directed to establish such funds and accounting procedures as may be necessary to carry

**Chapter 3.76**

**BONDS AND OBLIGATIONS  
REGISTRATION SYSTEM**

Sections:

- 3.76.010 Findings.
- 3.76.020 Definitions.
- 3.76.030 Adoption of registration system.
- 3.76.040 Statement of transfer restrictions.

**3.76.010 Findings.**

The city council makes the following findings and determinations:

A. Section 149(a) of the Internal Revenue Code of 1986, as amended, requires municipal bonds and obligations offered to the public, having a maturity of more than one year, to be in registered form as a condition of the exclusion from gross income for federal income tax purposes of the interest on those bonds and obligations.

B. RCW 39.46.030 authorizes cities to establish a system of registering the ownership of their bonds or obligations as to principal and interest, or principal only.

C. In the past, the city has provided for registration of each bond issue separately, but in light of the foregoing, the city council now finds that it is in the city’s best interest to establish a system of registering the ownership of all of the city’s bonds and obligations in the manner permitted by law. (Ord. 2009-004 § 1)

**3.76.020 Definitions.**

The following words shall have the following meanings when used in this chapter:

“Bond” or “bonds” has the meaning defined in RCW 39.46.020(1), as the same may be amended from time to time.

“City” means the city of Sequim, Washington.

“Fiscal agent” means the duly appointed fiscal agent of the state of Washington serving as such at any given time.

“Obligation” or “obligations” has the meaning defined in RCW 39.46.020(3), as the same from time to time may be amended.

“Registrar” means the person, persons or entity designated by the city to register ownership of bonds or obligations under this chapter or under an ordinance of the city authorizing the issuance of such bonds or obligations. (Ord. 2009-004 § 2)

**3.76.030 Adoption of registration system.**

The city adopts the following system of registering the ownership of its bonds and obligations:

A. Registration Requirement. All bonds and obligations offered to the public, having a maturity of more than one year, on which the interest is intended to be excluded from gross income for federal income tax purposes, shall be registered as to both principal and interest as provided in this chapter.

B. Method of Registration. The registration of all city bonds and obligations required to be registered shall be carried out either by (1) a book entry system of recording the ownership of the bond or obligation on the books of the registrar, whether or not a physical instrument is issued; or (2) recording the ownership of the bond or obligation and requiring as a condition of the transfer of ownership of any bond or obligation the surrender of the old bond or obligation and either the reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owner. No transfer of any bond or obligation subject to registration requirements shall be effective until the name of the new owner and the new owner’s mailing address, together with such other information deemed appropriate by the registrar, shall be recorded on the books of the registrar.

C. Denominations. Except as may be provided otherwise by the ordinance authorizing their issuance, registered bonds or obligations may be issued and reissued in any denomination up to the outstanding principal amount of the bonds or obligations of which they are a part. Such denominations may represent all or a part of a maturity or several maturities and on reissuance may be in smaller amounts than the individual denominations for which they are reissued.

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D. Appointment of Registrar. Unless otherwise provided in the ordinance authorizing the issuance of registered bonds or obligations, the city finance officer shall be the registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases, and other registered bonds or obligations not usually subject to trading without a fixed maturity date or maturing one year or less after issuance and the fiscal agent shall be the registrar for all other city bonds and obligations without a fixed maturity date or maturing more than one year after issuance.

E. Duties of Registrar. The registrar shall serve as the city's authenticating trustee, transfer agent, registrar, and paying agent for all registered bonds and obligations for which he, she, or it serves as registrar and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The rights, duties, responsibilities and compensation of the registrar shall be prescribed in each ordinance authorizing the issuance of the bonds or obligations, which rights, duties, responsibilities, and compensation shall be embodied in a contract executed by the city and the registrar, except that (1) when the fiscal agent serves as registrar, the city adopts by reference the contract between the State Finance Committee of the state of Washington and the fiscal agent in lieu of executing a separate contract and prescribing by ordinance the rights, duties, obligations and compensation of the registrar; and (2) when the city finance officer serves as registrar, a separate contract shall not be required. In all cases when the registrar is not the fiscal agent and the bonds or obligations are assignable, the ordinance authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of: (a) making payments of principal and interest; (b) printing any physical instruments, including the use of identifying numbers or other designation; (c) specifying record and payment dates; (d) determining denominations; (e) establishing the manner of communicating with the owners of the bonds or obligations; (f) establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such

instruments and the certification of such destruction; (g) registering or releasing security interests, if any; and (h) such other matters pertaining to the registration of the bonds or obligations authorized by such ordinance as the city may deem to be necessary or appropriate. (Ord. 2009-004 § 3)

### 3.76.040 Statement of transfer restrictions.

Any physical instrument issued or executed by the city subject to registration under this chapter shall state that the principal of and interest on the bonds or obligations shall be paid only to the owner thereof registered as such on the books of the registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the registrar. (Ord. 2009-004 § 4)