

Title 3

REVENUE AND FINANCE

Chapters:

- 3.02 Business and Occupation Tax**
- 3.04 Telephone, Electric, Gas and Water Business Tax**
- 3.08 Sales and Use Tax**
- 3.10 Interfund Loans**
- 3.12 Local Improvement District Assessments – Guaranty Fund**
- 3.16 Park Fund**
- 3.20 Water Fund**
- 3.24 Water Capital Improvement Fund**
- 3.28 Payroll and Claims Funds**
- 3.34 Real Estate Excise Tax**
- 3.38 Fire Department Levy Fund**
- 3.40 Municipal Capital Improvement Fund**
- 3.44 Initiative Procedure on Tax Ordinances**
- 3.48 Storm Drain Fund**
- 3.52 Beautification Fund**
- 3.56 Bond and Obligation Registration**
- 3.60 Well Development Fund**
- 3.64 Utility Trust Fund**
- 3.68 Equipment Replacement Fund**
- 3.72 King County Recycling Grant Fund**
- 3.76 Growth Management Act**
- 3.80 Payment of Claims or Obligations**
- 3.84 Sale of City Property**
- 3.88 Hotel/Motel Excise Tax**

Chapter 3.02

BUSINESS AND OCCUPATION TAX

Sections:

- 3.02.010 Purpose.
- 3.02.020 Definitions and presumption.
- 3.02.030 Persons subject to tax – Amount.
- 3.02.040 Exemptions – Type of income.
- 3.02.050 Amount of income taxed.
- 3.02.060 Limits on taxation.
- 3.02.070 Taxes – Apportionment.
- 3.02.080 Payment of tax.
- 3.02.090 Tax additional to others.
- 3.02.100 Tax – Collection.
- 3.02.110 Overpayment or underpayment of tax.
- 3.02.120 Civil penalty.
- 3.02.130 Violation – Penalty.
- 3.02.140 Appeal procedure.
- 3.02.150 Confidentiality of tax returns.
- 3.02.160 Duties of the licensing officer.

3.02.010 Purpose.

The provisions of this chapter are an exercise of the police and taxation powers of the city to license for revenue purposes and to govern the privilege of engaging in business in the city. (Ord. 1280 § 2, 1995).

3.02.020 Definitions and presumption.

A. This chapter incorporates by reference all definitions set forth in Chapter 82.04 RCW, hereafter amended, except where a conflicting definition is stated in this chapter.

B. “Licensing officer” means the city clerk or the clerk’s designee.

C. Business or persons soliciting business within the city or using either a business telephone number or business address within the city shall be presumed to engage in business within the city.

D. Businesses that are certified by the Internal Revenue Service of the United States as being exempt from federal income taxation shall be presumed to not be engaged in business. (Ord. 1280 § 3, 1995).

3.02.030 Persons subject to tax – Amount.

On and after December 31, 1999, there is levied upon and shall be collected from every person, for the act or privilege of engaging in business activities within the city, in addition to the business license fee, a business and occupation tax per calendar year, or any portion thereof, except as otherwise provided in this title. The business and occupation tax shall be in the amount of two-tenths of one percent of the amount of gross income subject to tax by the state of Washington pursuant to Chapter 82.04 RCW, as hereafter amended, for business activities occurring within the city. (Ord. 1485 § 1, 2000; Ord. 1433 § 1, 1999; Ord. 1280 § 4, 1995).

3.02.040 Exemptions – Type of income.

The following types and sources of income shall not be included in the gross income subject to the tax imposed by this chapter.

A. All types and source of income, revenue, proceeds or receipts which are exempt from the business and occupation tax imposed by the state of Washington pursuant to Chapter 82.04 RCW, as hereafter amended;

B. Gross income or proceeds derived from liquor, as defined by RCW 66.04.010(15), motor vehicle fuels, and any other business or item which is not subject to taxation by the city pursuant to state law;

C. Gross income of any telephone business;

D. Gross income, revenue, proceeds or receipts which are subject to taxation by any other city; and

E. Gross income of any business subject to taxation under Chapter 3.04 PMC. (Ord. 1280 § 5, 1995).

3.02.050 Amount of income taxed.

A. The business and occupation tax shall only be imposed if the gross income of the person exceeds \$15,000 per year. Persons with gross income exceeding \$15,000 per year shall be taxed only on the amount of gross income exceeding \$15,000. Only one such exemption shall be allowed to any group of businesses under common ownership. For the purposes of this chapter, businesses shall be considered to be under common ownership if 10 percent or

3.02.060

more of the ownership of the business is held or controlled by the same person or persons.

B. If a person operates a business for less than a full year, the amount of gross income exempted from the business and occupation tax shall be reduced proportionately. (Ord. 1280 § 6, 1995).

3.02.060 Limits on taxation.

Washington law limits the amount of tax which a city may levy on a person. The tax imposed by this chapter is within those limits at the time this chapter is enacted. If in the future the rates imposed by this chapter exceed statutory limits, the taxes imposed by this chapter shall be automatically reduced to the highest legal rate. (Ord. 1280 § 7, 1995).

3.02.070 Taxes – Apportionment.

A. Statement of Principle. It is the intent of this chapter that a person pay a tax no more than once to local government on manufacturing and selling the same product. No deduction is allowed for the payment of taxes to the state of Washington or for the payment of dissimilar fees or taxes. If the imposition of the city's business and occupation tax would place an undue burden upon interstate commerce or violate constitutional provisions, a person shall be allowed a deduction to the extent necessary to preserve the validity of the city's tax. The taxpayer may deduct from the gross income or receipts the value of goods manufactured inside the city and sold outside the city in those cases where the goods are sold outside the state of Washington and are subject to a gross income or receipt tax where the tax is not separately stated from the sales price or where the goods are sold in any foreign country.

B. Persons Rendering Services Inside and Outside the City. Persons who render services both inside and outside the city and who maintain an office or place of business within the city and not elsewhere shall be taxed on the gross income from the business without regard to the place where the business is conducted. Persons who render services both inside and outside the city and who maintain an office or place of business both inside the city and outside the city, or who have no office or other

place of business within the city, shall have the option, for purposes of limiting their tax liability to the city under this chapter, of apportioning to the city that portion of gross income derived from services rendered within the city. If the person cannot readily determine the portion of gross income derived from services rendered within the city, the person shall apportion to the city that portion of total income which the cost of rendering services within the city bears to the total cost of rendering services both inside and outside the city.

C. Persons Engaged in Business Activity Other Than Rendering Services. Any person who is subject to tax under this chapter, and who has no office, store or other place of business within the city, shall allocate to the city the gross proceeds of all sales in which the person's business activity within the city is either a determining element in the transaction or a predominant factor in making or holding the market in the city. Conversely, a person who engages in business using an office, store or other outlet within the city, and maintains no equivalent facility elsewhere in Washington, may deduct the gross proceeds of sales which (1) are used by another Washington city to calculate a tax measured by gross receipts; and (2) reflect business activity conducted in the taxing city that is either a determining element in the transaction or a predominant factor in making or holding the taxpayer's market in that city. A person who engages in business using stores, offices, or outlets both within the city and outside of the city may allocate the gross proceeds of sales to the store, office or outlet where the predominant selling activity occurs.

D. Allocation Authority of Licensing Officer. To prevent or reduce overlapping municipal taxation, the licensing officer is authorized to (1) agree with one or more Washington cities for a joint audit of a person, and for the reciprocal application of common principles or policies consistent with the provisions of this chapter relating to the allocation or apportionment of the gross proceeds of sales, gross receipts, or gross income with respect to any person; and (2) as part of an intercity agreement, or in concert with other Washington cities, include or implement reciprocal policies

and procedures, consistent with this chapter, to ensure that this city and the other cities receive the tax payments each city is due when a person in good faith has overpaid municipal taxes measured by the person's gross proceeds of sale, gross receipts, or gross income to either city.

E. Records. Each person who elects to apportion his gross receipts or gross income shall keep for five years all records reflecting the amount of his value of products, gross proceeds of sale, or gross income or gross receipts of business, as the case may be. Such records shall be open at all reasonable times to the inspection of the licensing officer, or his duly authorized agent, for the verification of the person's tax returns.

F. Effect of Apportionment on Tax Exemption. All persons electing to apportion their income or gross revenue shall also reduce the amount of the income exempt from taxation, as defined under this chapter, by the same proportion as the proportion of income derived from or attributed to sources outside the city. (Ord. 1280 § 8, 1995).

3.02.080 Payment of tax.

A. Payments of the tax imposed by this chapter shall be due quarterly. The payment shall be due as follows: first quarter, April 15th; second quarter, July 15th; 3rd quarter, October 15th; and the fourth quarter, January 15th.

B. On or before the due date, every person required to pay the tax imposed by this chapter shall file with the city a written return, upon such form and including such information as the licensing officer shall require, together with payment of the amount of taxation. Payment shall be accompanied by either a copy of the Washington State tax return showing the amounts subject to business and occupation tax by the state of Washington, or an affidavit of either the owner or an authorized officer of the business certifying the amount of income subject to business and occupation tax by the state of Washington. In any instance in which these documents do not allow the ready calculation of tax due the city, the licensing officer may also require the person to file a written

return, upon such form and setting forth such information as the licensing officer may reasonably require in order to determine the amount of tax due to the city.

C. The licensing officer shall have the right to require proof of gross income or gross receipts. Upon supplying the licensing officer with the Washington State tax returns filed with the Department of Revenue for the state of Washington and the city tax returns filed with the responsible city officials for all cities for which apportionment deductions are claimed for the period of time in question, the person shall be deemed to have made a prima facie showing of proof of the person's gross income or gross receipts.

D. If payment of any tax due is not received by the city by the last day of the month in which the tax becomes due, such payment shall be considered delinquent. (Ord. 1280 § 9, 1995).

3.02.090 Tax additional to others.

The business and occupation tax imposed and levied by this chapter shall be in addition to any license fee or tax imposed or levied under any law or other ordinance of the city, except as otherwise expressly provided in this chapter. (Ord. 1280 § 10, 1995).

3.02.100 Tax – Collection.

The tax imposed by this chapter, and all penalties thereon, shall constitute a debt to the city, and may be collected by court proceedings in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies. Any judgment entered in favor of the city shall include an award to the city of all court and collection costs including attorneys' fees. Amount delinquent more than 90 days may be assigned to a third party for collection, in which case the amount of any collection charges shall be in addition to all other amounts owed. Amounts due shall not be considered paid until the city has received good funds for the full amount due or has discharged the amount due and not paid. (Ord. 1280 § 11, 1995).

3.02.110

3.02.110 Overpayment or underpayment of tax.

If any person makes an overpayment and within two years of the date of such overpayment applies for a refund or credit, the person's claim shall be allowed and a refund made by the city upon determination by the licensing officer that no other sums are owed by the person to the city. If a person determines that the tax has been underpaid and without notice by any party pays the amount due to the city, the amount underpaid and corrected by the person shall not be subject to penalty. (Ord. 1280 § 12, 1995).

3.02.120 Civil penalty.

If any person fails to pay the tax imposed by this chapter by the last day of the month in which the tax becomes due, a civil penalty shall be imposed in the amount of 10 percent of the delinquent tax plus any previously assessed and unpaid penalties under this chapter. For the purposes of calculating the penalty, each month that the amounts owed under this chapter are due and unpaid shall be considered a separate violation subject to penalty. A fraction of a month shall be deemed a full month. In no event shall the penalty for a tax delinquent more than 90 days be less than \$50.00. In the event that a penalty has been wrongfully collected, the penalty shall be refunded by the licensing officer. (Ord. 1280 § 13, 1995).

3.02.130 Violation – Penalty.

A. It shall be a violation of this chapter:

1. For a person required to pay a tax under this chapter to fail or refuse to pay the tax imposed;
2. For a person to make any false representation in connection with a tax imposed;
3. For a person to evade payment of the tax or any part thereof;
4. For a person to testify falsely upon any investigation of the correctness of a return, or upon the heading of any appeal; or
5. For a person to in any manner hinder or delay the city or any of its officers in carrying out the provisions of this chapter.

B. It shall be unlawful for any person to conduct business within the city limits when not in compliance with this chapter.

C. A person violating any of the provisions of this chapter, upon conviction thereof, shall be punished by a fine of not more than \$500.00 or by imprisonment for not more than six months, or by both such fine and imprisonment. Each such person is guilty of a separate offense for each and every day on which any violation of any provision of this chapter is committed, continues or is permitted by any such person. (Ord. 1280 § 14, 1995).

3.02.140 Appeal procedure.

A person aggrieved by the amount of the tax determined to be due to the city by the licensing officer under the provisions of this chapter may appeal to the city council from such determination by filing a written notice of appeal with the city clerk within 20 days from the date on which such person is given notice of the tax. The city council shall, as soon as practical, fix a time and place for the hearing for such appeal. Notice of the hearing shall be given to the appellant by certified mail at least 10 days prior to the date of the hearing. (Ord. 1280 § 15, 1995).

3.02.150 Confidentiality of tax returns.

The tax returns made to the city pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of any person who is not an employee of or under contract to the city and then only when such persons are acting in an official capacity. It shall be unlawful for any person to make public or to inform any other person as to the contents of a tax return, except as authorized in this section or as required by law. This section shall not be construed to prohibit disclosure of information received under this chapter to the Federal Internal Revenue Service, State Department of Revenue, or to any other city in this state for official purposes only. (Ord. 1280 § 16, 1995).

3.02.160 Duties of the licensing officer.

A. The licensing officer shall keep full and accurate records of all funds received under the provisions of this chapter. Upon receipt of

any tax or penalties collected under the provisions of this chapter, the licensing officer shall deposit the amounts collected into the current expense fund of the city.

B. In order to carry out the provisions of this chapter, the licensing officer shall have the power to adopt, publish and enforce rules and regulations consistent with this chapter.

C. The licensing officer for good cause shown may extend the time for making and filing any tax return as required under this chapter; provided, that any extension in excess of 30 days shall be conditional upon payment of interest of one percent for each 30 days or portion thereof on the amount of tax from the date upon which the tax became due. (Ord. 1280 § 17, 1995).

Chapter 3.04

TELEPHONE, ELECTRIC, GAS AND WATER BUSINESS TAX¹

Sections:

- 3.04.010 Powers of city.
- 3.04.015 Definitions.
- 3.04.020 Required.
- 3.04.030 Levied.
- 3.04.040 Deductions.
- 3.04.045 Allocation of income – Cellular telephone service.
- 3.04.050 Payment.
- 3.04.060 Records.
- 3.04.070 Failure to pay – Penalty.
- 3.04.080 Overpayment.
- 3.04.090 Rules and regulations – Adoption – Enforcement.
- 3.04.100 Rate changes.

3.04.010 Powers of city.

The provisions of this chapter shall be deemed to be an exercise of the powers of the city to license for revenue. (Ord. 249 § 1, 1957).

3.04.015 Definitions.

A. “Gross income” means the value proceeding or accruing from the performance of the particular utility occupation involved, including operations incidental thereto, but without any deduction on account of the cost of the service provided, the cost of the commodity furnished or sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expenses whatsoever paid or accrued and without any deduction on account of losses.

B. “Cellular telephone service” means two-way voice and data telephone/telecommunications system based in whole or substantially in part on wireless radio communications and which is not subject to regulations by the Washington Utility and Transportation Com-

1. Code reviser’s note: Ord. 1280 § 18 renamed this chapter and created a separate chapter entitled “Business and Occupation Tax,” codified at Ch. 3.02 PMC.

3.04.020

mission (WUTC). This includes cellular mobile service. The definition of cellular mobile service includes other wireless radio communications services such as special mobile radio (SMR), personal communications services (PCS) and any other evolving wireless radio communications technology which accomplishes the same purposes as cellular mobile service.

C. "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80 and for which a separate charge is made.

D. "Network telephone service" means the providing by any person of access to local telephone network, local telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a local telephone network toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes interstate service, including toll service, originating from or received on telecommunications equipment or apparatus in this state if the charge for the service is billed to a person in this state. "Network telephone service" does not include the providing of competitive telephone service, the providing of cable television service, nor the providing of broadcast services by radio or television stations.

E. "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

F. "Telephone business" means the business of providing network telephone service as defined in this section. It includes cooperative

or farmer line telephone companies or associations operating an exchange.

G. "Telephone service" means competitive telephone service or network telephone service, or both, as defined in this section. (Ord. 1300 § 1, 1996).

3.04.020 Required.

No person, firm or corporation shall engage in or carry on any business, occupation, act or privilege for which a tax is imposed by PMC 3.04.030 without first having obtained and being the holder of a Pacific business license as required by Chapter 5.02 PMC. (Ord. 1300 § 2, 1996; Ord. 249 § 2, 1957).

3.04.030 Levied.

From and after October 13, 1996, there is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on a telephone business, a cellular telephone service, an electric power business, a natural gas business, and an artificial gas business for hire or for sale of a commodity or a service within or partly within the corporate limits of the city, the tax for the privilege of doing such business as set forth in this section.

A. There is levied upon every person, firm or corporation engaged in or carrying on a telephone business, a tax equal to six percent of the total gross income from such business in the city during the period for which the tax is due. In determining gross income from such telephone business, including intrastate toll telephone service, the taxpayer shall include 100 percent of the gross income received from such business in the city.

B. There is levied upon each person, firm or corporation engaged in or carrying on the business of cellular telephone service, a tax equal to six percent of the total gross income from such business in the city during the period for which the tax is due.

C. There is levied upon every person, firm or corporation engaged in or carrying on an electric power business, a tax equal to six percent of the total gross income from such business within the city during the period for which the tax is due.

D. There is levied upon every person, firm or corporation engaged in or carrying on a natural, manufactured, or mixed gas business, a tax equal to six percent of gross income from such business within the city during the period for which the tax is due. (Ord. 1300 § 3, 1996; Ord. 924 § 1, 1983; Ord. 898 § 1, 1983; Ord. 856 § 1, 1982; Ord. 624 § 1, 1976; Ord. 411 § 1, 1967; Ord. 249 § 3, 1957).

3.04.040 Deductions.

In computing the tax imposed under this chapter, the following items may be deducted from gross income:

A. The amount of credit losses and uncollectibles actually sustained by the taxpayer.

B. Amounts from a business which the city is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United States.

C. That portion of the gross income derived from charges to another telecommunications company for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to or charges for interstate services for network telephone service that is purchased for the purpose of resale.

D. Charges by a taxpayer engaging in a telephone business to a telecommunications company for telephone service that the purchaser buys for the purpose of resale.

E. Adjustments made to a billing or to a customer account or to a telecommunications company accrual account in order to reverse a billing or charge that had been made as a result of third-party fraud or other crime and was not properly a debt of a customer. (Ord. 1300 § 4, 1996; Ord. 249 § 4, 1957).

3.04.045 Allocation of income – Cellular telephone service.

A. Service Address. Payments by a customer for the telephone service from telephones without a fixed location shall be allocated among taxing jurisdictions to the location of the customer's principal service address during the period for which the tax applies.

B. Presumption. There is a presumption that the service address a customer supplies to

the taxpayer (cellular telephone company) is current and accurate, unless the taxpayer has actual knowledge to the contrary.

C. Roaming Phones. When the service is provided while a subscriber is roaming outside the subscriber's normal cellular network area, the gross income shall be assigned consistent with the taxpayer's accounting system to the location of the originating cell site of the call, or to the location of the main cellular switching office that switched the call.

D. Dispute Resolution. If there is a dispute among one or more other cities, and/or taxpayer, as to the service address of a customer who is receiving cellular telephone services and the dispute is not resolved by negotiation among the parties, then the dispute shall be resolved by the city and the other city or cities by submitting the issue for settlement to the Association of Washington Cities (AWC). Once taxes on the disputed revenues have been paid to one of the contesting cities, the taxpayer shall have no further liability with respect to additional taxes on the disputed revenue, so long as the taxpayer changes its billing records for future revenues to comport with the settlement facilitated by AWC. (Ord. 1300 § 5, 1996).

3.04.050 Payment.

The tax imposed by PMC 3.04.030 shall be due and payable quarterly on the last day of the month following the end of each quarterly period in each year. On or before the due date, the taxpayer shall file with the city a written return, upon such form setting forth such information as the clerk shall reasonably require, together with the payment of the amount of the tax. (Ord. 1300 § 6, 1996; Ord. 820 § 1, 1981; Ord. 249 § 5, 1957).

3.04.060 Records.

Each taxpayer shall keep records reflecting the amount of the taxpayer's gross income and any claimed deductions or exemptions from gross income. Such records shall be open at all reasonable times to the inspection of the city clerk, or the city clerk's designee, for the verification of a tax return or for the fixing of the tax of a taxpayer who fails to make such

3.04.070

returns. (Ord. 1300 § 7, 1996; Ord. 249 § 6, 1957).

3.04.070 Failure to pay – Penalty.

If any person, firm or corporation subject to this chapter fails to pay any tax required by this chapter within 30 days after the due date thereof, there shall be added to such tax a penalty of 10 percent of the amount of such tax, and any tax due under this chapter and unpaid, and all penalties thereon, shall constitute a debt to the city and may be collected by court proceedings, which remedy shall be in addition to all other remedies. (Ord. 249 § 7, 1957).

3.04.080 Overpayment.

Any money paid to the city through error or otherwise not in payment of the tax imposed hereby or in excess of such tax shall, upon request by the taxpayer, be credited against any tax due or to become due from such taxpayer hereunder or, upon the taxpayer's ceasing to do business in the city, be refunded to the taxpayer. (Ord. 249 § 8, 1957).

3.04.090 Rules and regulations – Adoption – Enforcement.

The city clerk is hereby authorized to adopt, publish and enforce, from time to time, such rules and regulations for the proper administration of this chapter to violate or to fail to comply with any such rule or regulation lawfully promulgated hereunder. (Ord. 249 § 11, 1957).

3.04.100 Rate changes.

No changes in the rate of tax upon persons engaging in providing cellular telephone service shall apply to business activities occurring before the effective date of the change and, except for a change in the tax rate authorized by RCW 35.21.870, no change in the rate of the tax may take effect sooner than 60 days following the enactment of the ordinance establishing the change. The city shall send to each cellular telephone service company at the address on its license a copy of any ordinance changing the rate of tax upon cellular telephone service promptly upon its enactment. (Ord. 1300 § 8, 1996).

Chapter 3.08

SALES AND USE TAX¹

Sections:

- 3.08.010 Imposition.
- 3.08.020 Rate.
- 3.08.030 Administration and collection.
- 3.08.040 Inspection of records.
- 3.08.050 Penalty for violation.

3.08.010 Imposition.

There is imposed a sales or use tax, as the case may be 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. 873 § 1, 1982; Ord. 457 § 1, 1970).

3.08.020 Rate.

The rate of the tax imposed by PMC 3.08.010 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 or use tax imposed by King 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 PMC 3.08.010; provided, further, that during such period as there is in effect a sales tax or use tax imposed by King 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 PMC 3.08.010 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. 873 § 2, 1982; Ord. 457 § 2, 1970).

1. For statutory provisions authorizing a local sales and use tax, see Chapter 82.14 RCW.

3.08.030 Administration and collection.

A. The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050.

B. The mayor and city clerk are authorized to enter into a contract with the Department of Revenue for the administration of this tax. (Ord. 873 §§ 3, 5, 1982; Ord. 457 § 3, 1970).

3.08.040 Inspection of records.

The city of Pacific 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. 873 § 4, 1982; Ord. 457 § 4, 1970).

3.08.050 Penalty for violation.

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. 873 § 7, 1982; Ord. 1167 § 2, 1992; Ord. 457 § 5, 1970).

Chapter 3.10**INTERFUND LOANS**

Sections:

- 3.10.010 Authority of mayor – Ratification by council.
- 3.10.020 Council approval as part of consent agenda.
- 3.10.030 Administrative procedures.
- 3.10.040 Provisions retroactive.

3.10.010 Authority of mayor – Ratification by council.

The city council hereby authorizes the mayor to make interim interfund loans which shall be subject to ratification by the city council at the next regular city council meeting. If at the next regular city council meeting, the city council does not ratify the interfund loan, then the term of the loan will expire as of the date of the meeting at which the city council fails to ratify the interfund loan. (Ord. 1461 § 1, 2000; Ord. 1396 § 1, 1998).

3.10.020 Council approval as part of consent agenda.

The city council's action on interim interfund loans may be approved as part of the consent agenda of the city council. The city council shall be authorized to approve interfund loans by motion as part of the council's approval of the consent agenda. (Ord. 1396 § 2, 1998).

3.10.030 Administrative procedures.

The mayor is hereby authorized to implement any administrative procedures as may be necessary to carry out the provisions of this chapter. (Ord. 1396 § 3, 1998).

3.10.040 Provisions retroactive.

The procedures authorized in this chapter shall, if required, be retroactive to January 1, 1997, in order to meet state requirements. All actions taken consistent with the authority granted in this chapter shall be ratified, confirmed and approved. (Ord. 1396 § 4, 1998).

Chapter 3.12

LOCAL IMPROVEMENT DISTRICT ASSESSMENTS – GUARANTY FUND

Sections:

- 3.12.010 Administration of LID and ULID proceedings.
- 3.12.020 LID and ULID petitions to be filed with city clerk.
- 3.12.030 Officer designated to make preliminary estimates.
- 3.12.040 Penalty for delinquent assessments and installments.
- 3.12.050 Commencement of foreclosure proceedings.
- 3.12.060 Acceleration of installments.
- 3.12.070 Maintenance and operation of the guaranty fund – General.
- 3.12.080 Minimum balance prescribed for the guaranty fund.
- 3.12.090 Use of guaranty fund to pay local improvement district obligations.
- 3.12.100 Use of guaranty fund to pay arbitrage rebate.
- 3.12.110 Ratification.
- 3.12.120 Extension of due date(s) for installments.

3.12.010 Administration of LID and ULID proceedings.

The city shall administer and prosecute all proceedings related to its local improvement districts and utility local improvement districts in substantial compliance with the laws of the state of Washington, including Chapters 35.43 through 35.54 RCW, as the same may be amended from time to time. No city action taken in substantial compliance with then-applicable state statutes ever shall be invalidated for failure to comply with any provision of this chapter. (Ord. 1424 § 2, 1999).

3.12.020 LID and ULID petitions to be filed with city clerk.

Any petitions required by Chapter 35.43 RCW (or any successor statutes) to be filed with the city to initiate the formation of a local improvement district or utility local improvement district shall be filed with the city clerk

(or such city officer who may hereafter assume the duties of the city clerk). (Ord. 1424 § 3, 1999).

3.12.030 Officer designated to make preliminary estimates.

The city administrator is designated as the city’s officer responsible for taking, or causing to be taken, such actions as are required to be taken by RCW 35.43.130, as such statute may be amended from time to time. (Ord. 1424 § 4, 1999).

3.12.040 Penalty for delinquent assessments and installments.

Each assessment or installment thereof that is collected by the city pursuant to Chapter 35.49 RCW shall be subject, at the time of delinquency, to a charge of 12 percent penalty levied on both principal and interest due upon that installment. Notwithstanding the foregoing, the city may, by ordinance, waive or reduce the penalty on any delinquent installment to the extent the city council determines the delinquency may have been caused by an error on the city’s behalf (e.g., a delinquency resulting from an inadvertent understatement by the city of the amount owed on account of an installment). (Ord. 1540 § 1, 2003; Ord. 1424 § 5, 1999).

3.12.050 Commencement of foreclosure proceedings.

All assessment lien foreclosure proceedings initiated by the city under Chapter 35.50 RCW shall be commenced for purposes of RCW 35.50.030 on or before October 1st of each year; provided, any delay in commencing an assessment lien foreclosure proceeding beyond October 1st in any given year shall not preclude the city from commencing such proceeding on any date thereafter, and for purposes of RCW 35.50.030, such later date shall be deemed to be the other date fixed by general ordinance pursuant to RCW 35.50.030. (Ord. 1540 § 2, 2003; Ord. 1424 § 6, 1999).

3.12.060 Acceleration of installments.

Upon the failure to pay the city any installment of a local improvement district assess-

ment, when due, the entire assessment shall be due and payable as of the date of such delinquency, and the collection thereof enforced by foreclosure pursuant to Chapter 35.50 RCW. (Ord. 1424 § 7, 1999).

3.12.070 Maintenance and operation of the guaranty fund – General.

The city shall maintain and operate its guaranty fund in accordance with the laws contained in Chapter 35.54 RCW and such other laws that specifically or generally apply to the guaranty fund or obligations secured thereby, as the same may be amended from time to time. Obligations guaranteed by the guaranty fund shall include, in addition to those obligations referred to in Chapter 35.54 RCW, obligations issued under Chapter 39.50 RCW in anticipation of the issuance of local improvement district bonds. (Ord. 1424 § 8, 1999).

3.12.080 Minimum balance prescribed for the guaranty fund.

The city shall maintain a balance in the guaranty fund during each calendar year that is at least equal to the interest scheduled to come due on all outstanding obligations guaranteed by the guaranty fund during the following calendar year. Notwithstanding the foregoing, the city council may, with respect to the obligations issued on account of any local improvement district, require by ordinance that the minimum balance in the guaranty fund on account of such obligations be greater than is otherwise required by the preceding sentence. (Ord. 1424 § 9, 1999).

3.12.090 Use of guaranty fund to pay local improvement district obligations.

If, prior to an interest payment date of obligations secured by the guaranty fund, the city treasurer (or other city official then responsible for overseeing the city's funds and accounts) determines that there is insufficient money in the local improvement fund or other fund or account established to pay debt service on those obligations to pay the interest or principal and interest scheduled to come due on that interest payment date, then the city treasurer (or other city official then responsible for

overseeing the city's funds and accounts) shall withdraw from the guaranty fund and apply an amount sufficient to pay that deficiency on that interest payment date. To the extent the amount available in the guaranty fund on such interest payment date is not sufficient to cure the deficiency, the city treasurer (or other city official then responsible for overseeing the city's funds and accounts) shall issue interest bearing warrants drawn on the guaranty fund as prescribed by statute. This section is intended to supplement Chapter 35.54 RCW and to prevent defaults in the payment of obligations secured by the guaranty fund. (Ord. 1424 § 10, 1999).

3.12.100 Use of guaranty fund to pay arbitrage rebate.

To the extent that the city is required by Section 148 of the Internal Revenue Code of 1986, as amended, or any successor federal law, to make arbitrage rebate payments to the U.S. Treasury on account of the investment of the guaranty fund, such payments may be made from amounts on deposit in the guaranty fund. The city may establish subaccounts within the guaranty fund from time to time, if necessary or desirable for purposes of accounting for the investment of money therein. (Ord. 1424 § 11, 1999).

3.12.110 Ratification.

All acts heretofore taken by the city in connection with the formation of its local improvement districts and utility local improvement districts, the levying, collection and enforcement of special assessments therein, and the operation and maintenance of the guaranty fund, are ratified and approved. (Ord. 1424 § 12, 1999).

3.12.120 Extension of due date(s) for installments.

Pursuant to RCW 35.49.020, the city shall provide by ordinance the annual due date for assessment installments. If, during the course of administering the collection of such installments, the city makes an error (e.g., an inadvertent understatement by the city of the amount owed on account of an installment) in

3.16.010

the process of collecting such installments, the city may extend one or more installment due dates so long as the city council finds that the rights of bondholders will not be adversely affected by such extensions. The city shall provide for such extensions by ordinance. (Ord. 1540 § 3, 2003).

Chapter 3.16

PARK FUND¹

Sections:

3.16.010 Created.

3.16.010 Created.

There is created and established in the budget of the city a new fund to be designated as “the park fund,” which fund shall be utilized for the payment of all construction and engineering costs and maintenance of a city park. (Ord. 435 § 1, 1969).

1. For statutory authority for a third-class city to levy a tax for parks and creation of a special fund for the monies, see RCW 35.24.360 and 35.23.510.

Chapter 3.20

WATER FUND¹

Sections:

3.20.010 Established.

3.20.010 Established.

There is created in the treasury of the city a fund to be known and designated as “water fund.” All moneys due the city for water service of any kind or as penalties for violation of Title 14 or of any other ordinance of the city relating to the municipally owned water supply system of the city shall be paid to the city treasurer, who shall receipt in proper form therefor, and shall be deposited in the water fund. The water fund shall not be commingled with any other fund or funds of the city and shall be disbursed only upon warrants drawn by the order of the city council against the fund. (Ord. 408 § 2, 1966).

Chapter 3.24

**WATER CAPITAL
IMPROVEMENT FUND**

Sections:

3.24.010 Created.

3.24.010 Created.

There is created in the treasury of the city a fund to be known and designated as “water capital improvement fund.” The fund shall not be commingled with any other fund or funds of the city and shall be disbursed only upon warrants drawn by the order of the city council against such fund. The funds shall be used only for waterworks capital improvements and shall not be used for operation and maintenance purposes. Water capital improvement funds shall be used only to finance waterworks capital improvement projects such as installation of water mains, hydrants, valves, fittings, reservoirs, wells, source improvements, pumping facilities, treatment facilities, protection system for waterworks, and other improvements which are not considered as operation and maintenance. Funds shall be transferred from the water fund to the water capital improvement fund at a rate averaging not less than \$225.00 per month. (Ord. 558 § 1, 1975).

1. For statutory authority for cities to provide for waterworks, see RCW 35.21.210.

Chapter 3.28

PAYROLL AND CLAIMS FUNDS¹

Sections:

3.28.010 Created.

3.28.010 Created.

There is created and established two funds in the accounting system of the city to be known as the payroll fund and the claims fund. These funds were created and established under Ordinance 521 on September 1, 1972, and these same funds continue pursuant to this chapter. (Ord. 571 § 2, 1975).

Chapter 3.34

REAL ESTATE EXCISE TAX

Sections:

- 3.34.010 Imposition.
- 3.34.020 Taxable events.
- 3.34.030 Consistency with state tax.
- 3.34.040 Distribution of tax proceeds and limiting use thereof.
- 3.34.050 Seller’s obligation.
- 3.34.060 Lien provisions.
- 3.34.070 Notation of payment.
- 3.34.080 Date payable.
- 3.34.090 Excessive and improper payments.

3.34.010 Imposition.

There is imposed a tax of one-quarter of one percent of the selling price on each sale of real property within the corporate limits of this city. (Ord. 874 § 1, 1982).

3.34.020 Taxable events.

Taxes 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 taxable event within the corporate limits of this city. (Ord. 874 § 2, 1982).

3.34.030 Consistency with state tax.

The taxes 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, to the extent they are not inconsistent with this chapter, shall apply as though fully set forth in this chapter. (Ord. 874 § 3, 1982).

3.34.040 Distribution of tax proceeds and limiting 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 city taxes imposed in this chapter shall be distributed to the city monthly and those taxes imposed

1. For statutory provisions authorizing cities and towns to establish payroll and claims funds, see RCW 35.21.085.

under PMC 3.34.010 shall be placed by the city treasurer in a municipal capital improvements fund. These capital improvements funds shall be used by the city for local improvements, including those listed in RCW 35.43.040.

C. This section shall not limit the existing authority of this city to impose special assessments on property benefited thereby in the manner prescribed by law. (Ord. 874 § 4, 1982).

3.34.050 Seller's obligation.

The taxes imposed in this chapter are the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages. (Ord. 874 § 5, 1982).

3.34.060 Lien provisions.

The taxes imposed in this chapter and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other. (Ord. 874 § 6, 1982).

3.34.070 Notation of payment.

The taxes imposed in this chapter shall be paid to and collected by the treasurer of the county within which is located the real property which was sold. The county treasurer shall act as agent for the city within the county imposing the tax. 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 excise tax affidavit in the case of used mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed in this chapter shall be evidence of the satisfaction of the lien imposed in PMC 3.34.060 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. 874 § 7, 1982).

3.34.080 Date payable.

The tax imposed under this chapter 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 the date of payment. (Ord. 874 § 8, 1982).

3.34.090 Excessive and improper payments.

If, upon written application by a taxpayer to the county treasurer for a refund, it appears a tax has been paid in excess of the amount actually due or upon a sale or other transfer declared to be exempt, such excess amount or improper payment shall be refunded by the county treasurer to the taxpayer; provided, that no refund shall be made unless the state has first authorized the refund of an excessive amount or an improper amount paid, unless such improper amount was paid as a result of a miscalculation. Any refund made shall be withheld from the next monthly distribution to the city. (Ord. 874 § 9, 1982).

3.38.010

Chapter 3.38

FIRE DEPARTMENT LEVY FUND

Sections:

3.38.010 Created.

3.38.020 Maintenance.

3.38.010 Created.

There is created a separate and distinct fund in the city for the collection and receipt of taxes as a result of the levy for the city's fire district which shall be designated as the "fire department levy fund." Henceforth, all fire district tax levy funds shall be received and disbursed therefrom. (Ord. 871 § 1, 1982).

3.38.020 Maintenance.

The city treasurer is directed to transfer from the current expense fund the sum of \$14,631.85, plus accrued investment interest from January 1, 1982, on said amount to the day of the effective date of the ordinance codified in this chapter in the amount of \$191.23, to the fire department levy fund and henceforth place any funds received as a result of the fire district levy into said fire department levy fund. (Ord. 871 § 2, 1982).

Chapter 3.40

MUNICIPAL CAPITAL IMPROVEMENT FUND

Sections:

3.40.010 Established.

3.40.030 Source of funds.

3.40.040 Use of funds.

3.40.010 Established.

There is established a separate fund which shall be delineated as the municipal capital improvement fund for public facilities. (Ord. 1526 § 1, 2002; Ord. 886 § 1, 1982).

3.40.030 Source of funds.

All moneys received from the sale of surplus rights-of-way, easements, and public properties owned by the city of Pacific shall be deposited into the municipal capital improvement fund for public facilities. (Ord. 1526 § 1, 2002).

3.40.040 Use of funds.

The moneys placed into the municipal capital improvement fund for public facilities shall be used for the purchase of:

A. Property necessary for public facilities; and

B. Construction of public facilities. (Ord. 1526 § 1, 2002).

Chapter 3.44

INITIATIVE PROCEDURE ON
TAX ORDINANCES

Sections:

- 3.44.010 Applicability.
- 3.44.020 Petition – Filing – Action by council.
- 3.44.030 Petition – Contents.
- 3.44.040 Petition signatures.
- 3.44.050 Certification.
- 3.44.060 Election – Procedure.
- 3.44.070 Election – Requirements.
- 3.44.080 Election – Publication of ordinance.
- 3.44.090 Ballot requirements.
- 3.44.100 Effective date.
- 3.44.110 Adoption – Action by clerk.

3.44.010 Applicability.

Every ordinance imposing or altering a sales tax under Sec. 17(2), Chapter 49, Laws of 1982, 1st Ex. Sess.; every ordinance imposing or altering an excise tax on the sale of real property under Sec. 11(2) of that chapter; and every ordinance first imposing, or increasing the rate of, a business and occupation tax shall be subject to a special initiative procedure as provided in this chapter. (Ord. 901 § 1, 1983).

3.44.020 Petition – Filing – Action by council.

A. An initiative petition proposing to repeal a tax ordinance referred to in PMC 3.44.010 may be filed at any time. The petition shall be filed with the city council signed by a number of registered voters equaling at least 15 percent of the total number of persons listed as registered voters within the city on the day of the last preceding municipal general election. Upon the filing of such a petition, the city council shall either:

1. Pass the proposed ordinance without alteration within 20 days after the city clerk's certification that the number of signatures on the petition are sufficient; or

2. Immediately after the clerk's certificate of sufficiency is attached to the petition, cause to be called a special election as provided by state law for submission of the pro-

posed ordinance without alteration to a vote of the people.

B. Pending an election, the tax ordinance subject to the special initiative shall remain in effect and the tax shall continue to be collected until the result of the election repealing the ordinance is declared or certified as provided by state law. (Ord. 901 § 2, 1983).

3.44.030 Petition – Contents.

The special initiative petition shall include a proposed ordinance repealing the existing tax ordinance and shall be as follows:

Special Initiative Repealing _____
Tax (Ch. 49, Laws of 1982, 1st Ex.
Sess.)

Shall Ordinance No. _____ of the City of Pacific, (imposing) (increasing) a (one-half cent sales tax, etc.) be repealed by the following:

An Ordinance of the City of Pacific, repealing Ordinance No. _____, and providing an effective date.

Be it enacted by the voters of the City of Pacific.

Sec. 1. Ordinance No. _____ of the City of Pacific adopted _____, 20__, is hereby repealed.

Sec. 2. This ordinance shall take effect on the first day of the calendar quarter which begins 30 days or more after the effective date of the approval of the Special Initiative by the (city) (town) (governing body) or on the first day of the calendar quarter which begins 30 days or more after the certification of the results of the election at which the Special Initiative was approved by the voters.

(Ord. 901 § 3, 1983).

3.44.040 Petition signatures.

Every signer to a petition submitting a proposed ordinance to the city council shall add to

3.44.050

the signature, the signer's place of residence giving street and number. The signatures need not all be appended to one paper, but one of the signers on each paper must attach thereto an affidavit stating the number of signatures thereon, that each signature thereon is a genuine signature of the person whose name it purports to be and that the statements therein made are true as such person believes. (Ord. 901 § 4, 1983).

3.44.050 Certification.

Within 10 days from the filing of a petition submitting a proposed ordinance, the city clerk shall ascertain and append to the petition a certificate stating whether or not it is signed by a sufficient number of registered voters, using the registration records and returns of the preceding municipal election as the sources of information, and the city council shall allow extra help for that purpose, if necessary. If the signatures are found by the clerk to be insufficient, the petition may be amended in that respect within 10 days from the date of the certificate. Within 10 days after submission of the amended petition, the clerk shall make an examination thereof and append a certificate thereto in the same manner as before. If the second certificate shall also show the number of signatures to be insufficient, the petition shall be returned to the person filing it. (Ord. 901 § 5, 1983).

3.44.060 Election – Procedure.

If the clerk finds the petition insufficient or if the city council refuses either to pass an initiative ordinance or order an election thereon, any taxpayer may commence an action in the Superior Court against the city and procure a decree ordering an election to be held in the city for the purposes of voting upon the proposed ordinance if the court finds the petition to be sufficient. (Ord. 901 § 6, 1983).

3.44.070 Election – Requirements.

Publication of notice, the election, the canvass of the returns and declaration of the results shall be conducted in all respects as are other city elections. Any number of proposed ordinances may be voted on at the same elec-

tion, but there shall not be more than one special election for the purpose during any one six-month period unless otherwise provided by state law. (Ord. 901 § 7, 1983).

3.44.080 Election – Publication of ordinance.

The clerk shall cause any ordinance required to be submitted to the voters at an election to be published once in each of the daily newspapers in the city not less than five nor more than 20 days before the election. If no daily newspaper is published in the city, publication shall be made in each of the weekly newspapers published in the city not less than five nor more than 20 days before the election. The publication required by this section shall be in addition to the notice required in Chapter 29.27 RCW. (Ord. 901 § 8, 1983).

3.44.090 Ballot requirements.

The ballots used for voting upon the proposed ordinance initiated by petition shall be similar to those used at a general municipal election in the city and shall contain the words “for the ordinance” (stating the nature of the proposed ordinance) and “against the ordinance” (stating the nature of the proposed ordinance). (Ord. 901 § 9, 1983).

3.44.100 Effective date.

If a majority of votes cast thereon favor the proposed ordinance initiated by petition, it shall become effective on the first day of the calendar month following the month in which the election is officially certified, or a later date specified in the proposed ordinance in conformity with state law, and shall be made part of the record of ordinances of the city. (Ord. 901 § 10, 1983).

3.44.110 Adoption – Action by clerk.

Upon the adoption of an ordinance initiated by petition, the clerk shall write on the margin of the record thereof “ordinance by petition No. ____”, or “ordinance by vote of the people”. (Ord. 901 § 11, 1983).

Chapter 3.48

Chapter 3.52

STORM DRAIN FUND

BEAUTIFICATION FUND

Sections:

3.48.010 Established.

Sections:

3.52.010 Established.

3.52.020 Purpose.

3.48.010 Established.

There is established a “storm drain fund” for future budgetary purposes associated with the receipt and disbursement of funds related to storm drains in the city. The city treasurer is herewith directed to immediately establish such a fund and thereafter receipt and disburse moneys therefrom pursuant to council direction. (Ord. 930 § 1, 1983).

3.52.010 Established.

There is established a “beautification fund” for which real and personal property tax revenues are budgeted annually pursuant to council order. (Ord. 933 § 1, 1984).

3.52.020 Purpose.

The purpose of the beautification fund is for the general beautification of the city with expenditures for said beautification approved by a majority vote of the city council. (Ord. 933 § 2, 1984).

Chapter 3.56

BOND AND OBLIGATION
REGISTRATION¹

Sections:

- 3.56.010 Definitions.
- 3.56.020 Findings.
- 3.56.030 Adoption of system.
- 3.56.040 Registration requirement.
- 3.56.050 Method.
- 3.56.060 Denominations.
- 3.56.070 Registrar – Appointment.
- 3.56.080 Registrar – Duties.
- 3.56.090 Statement of transfer restrictions.

3.56.010 Definitions.

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

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

B. “City” means the city of Pacific, Washington.

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

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

E. “Registrar” shall mean the person or persons designated by the city to register ownership of bonds or obligations under this chapter. (Ord. 991 § 1, 1986).

3.56.020 Findings.

The city council finds that it is in the city’s best interest to establish a system of registering the ownership of the city’s bonds and obligations in the manner permitted by law. (Ord. 991 § 2, 1986).

3.56.030 Adoption of system.

The city adopts the system codified in this chapter of registering the ownership of its bonds and obligations. (Ord. 991 § 3, 1986).

3.56.040 Registration requirement.

All bonds and obligations offered to the public, having a maturity of more than one year and issued by the city after June 30, 1983, on which the interest is intended to be exempt from federal income taxation, shall be registered to both principal and interest as provided in this chapter. (Ord. 991 § 3(a), 1986).

3.56.050 Method.

A. 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 city or the fiscal agencies, 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 owners.

B. 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. (Ord. 991 § 3(b), 1986).

3.56.060 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. (Ord. 991 § 3(c), 1986).

3.56.070 Registrar – Appointment.

Unless otherwise provided in the ordinance authorizing the issuance of registered bonds or obligations, the city treasurer shall be the reg-

1. Prior legislation: Ord. 976.

istrar 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 agencies shall be the registrar for all other city bonds and obligations without a fixed maturity date or maturing one year or more after issuance. (Ord. 991 § 3(d), 1986).

3.56.080 Registrar – Duties.

A. 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.

B. 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 treasurer and the registrar, except in instances when the fiscal agencies serve as registrar, the city adopts by reference the contract between the State Finance Committee of the state of Washington and the fiscal agencies in lieu of executing a separate contract and prescribing by ordinance the rights, duties, obligations and compensation of the registrar. When the city treasurer serves as registrar, a separate contract shall not be required.

C. In all cases when the registrar is not the fiscal agencies and the obligation is assignable, the ordinance authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of:

1. Making payments of principal and interest;
2. Printing any physical instruments, including the use of identifying numbers or other designation;
3. Specifying record and payment dates;
4. Determining denominations;
5. Establishing the manner of communicating with the owners of the bonds or obligations;

6. Establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;

7. Registering or releasing security interests, if any; and

8. 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. 991 § 3(e), 1986).

3.56.090 Statement of transfer restrictions.

Any physical instrument issued or executed by the city subject to registration under this chapter shall state on its face 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. 991 § 4, 1986).

3.60.010

Chapter 3.60

WELL DEVELOPMENT FUND

Sections:

3.60.010 Establishment.

3.60.020 Purpose of fund.

3.60.010 Establishment.

There is established a separate fund which shall be delineated as the well development fund. All funds received by the city from The Boeing Company for the April, 1985 sale of city property located at the northwest corner of Ellingson Road and Pacific Avenue shall be deposited in such fund. (Ord. 973 § 1, 1985).

3.60.020 Purpose of fund.

Such fund is to be used for source development of water and shall not be commingled with any other fund or funds of the city and shall be disbursed only upon warrants drawn by order of a majority vote of the city council. (Ord. 973 § 2, 1985).

Chapter 3.64

UTILITY TRUST FUND

Sections:

3.64.010 Establishment.

3.64.010 Establishment.

There is established a separate fund which shall be delineated as the "Utility Trust Fund." Henceforth, any funds received as a result of advanced or overpayment on individual utility accounts shall be placed in the utility trust fund and transferred to the appropriate utility fund as required. (Ord. 1013 § 1, 1987).

Chapter 3.68

Chapter 3.72

EQUIPMENT REPLACEMENT FUND

KING COUNTY RECYCLING GRANT FUND

Sections:

3.68.010 Establishment.

3.68.020 Funding.

Sections:

3.72.010 Establishment.

3.68.010 Establishment.

There is established an equipment replacement fund to be used for the replacement of any city-owned equipment involving an expenditure in excess of \$750.00. A majority vote of the city council shall be necessary for any expenditures from the fund. (Ord. 1029 § 1, 1987).

3.72.010 Establishment.

There is created and established a special purpose fund to be designated and known as the “King County recycling grant fund,” into which shall be deposited moneys described in the ordinance codified in this chapter, together with such other moneys as the city council shall designate for the King County waste reduction/recycling program and grants disbursed by King County under that program. Moneys so deposited shall be expended for the King County waste reduction/recycling program as provided for in the agreement or any successor agreements regarding that program. (Ord. 1103 § 1, 1990).

3.68.020 Funding.

The equipment replacement fund shall be a line budget item funded by property taxes and by transfers from other funds. (Ord. 1029 § 2, 1987).

3.76.010

Chapter 3.76

GROWTH MANAGEMENT ACT

Sections:

3.76.010 Established.

3.76.020 Funding.

3.76.010 Established.

There is created and established a special purpose fund to be designated and known as the “growth management act fund,” into which shall be deposited moneys distributed by King County pursuant to the contract described in this chapter, together with such other moneys as the city shall receive from King County pursuant to amendments or renewals to the contract. Moneys so deposited shall be expended for the purposes provided for in the contract or any amendments or renewals to the contract. (Ord. 1131 § 1, 1991).

3.76.020 Funding.

A. The amount of \$38,000 is appropriated to the growth management act fund from the funds described in this chapter and grants under the contract.

B. Cash on hand in the amount of \$10,000 is included in Line Item 308 of the current expense fund and that entire amount is transferred to the growth management act fund. Cash on hand shall be reimbursed by the transfer, hereby authorized, of a like amount from the growth management act fund upon receipt of grant moneys under the contract. (Ord. 1131 § § 2, 3, 1991).

Chapter 3.80

**PAYMENT OF CLAIMS
OR OBLIGATIONS**

Sections:

3.80.010 Policy established.

3.80.010 Policy established.

Payment of claims or obligations of the city shall be by check. The qualified public depository, whereon such checks are to be drawn, shall be Columbia Bank. The city officers authorized to sign checks shall be the mayor, mayor pro tempore, city clerk and city treasurer. Checks shall be signed by any two of the foregoing authorized signatories. (Ord. 1357 § 1, 1997).

Chapter 3.84

SALE OF CITY PROPERTY

Sections:

- 3.84.010 Authority to sell.
- 3.84.020 Minimum price.
- 3.84.030 Call for bids – Notice.
- 3.84.040 Opening bids – Rejection.
- 3.84.050 Execution of instruments of conveyance.
- 3.84.060 Negotiated sale.
- 3.84.070 Mayor and city council members barred from purchasing city property.

3.84.010 Authority to sell.

Whenever it shall appear to the city council that it is for the best interests of the city of Pacific and the people thereof that any property, whether real, personal, or mixed, belonging to said city, should be sold, the city council may authorize the sale of such property. (Ord. 1463 § 1, 2000).

3.84.020 Minimum price.

In authorizing the sale of such property, the city council shall set a minimum price at which the property may be sold. In setting the minimum price, the city council may first require an appraisal be made. The property may be sold upon competitive bids, on a negotiated basis, auctioned, or exchanged for goods and services, as the council may direct. (Ord. 1463 § 1, 2000).

3.84.030 Call for bids – Notice.

If the city council requires the property to be sold upon competitive bids, the city clerk shall give notice that the city will invite bids for purchase of the property by at least one publication thereof in the city's official newspaper and by such other means as the council may direct, if any. The notice shall be posted and published at least 10 days before the date the bids are to be opened. (Ord. 1463 § 1, 2000).

3.84.040 Opening bids – Rejection.

The bids shall be opened in public at the time and place stated in the notice. The city

council may reject any or all bids with or without cause, or the bid for any one or more of the parcels, or items of property, real or personal, included in the aforesaid call for bids. (Ord. 1463 § 1, 2000).

3.84.050 Execution of instruments of conveyance.

Upon receipt of an acceptable bid relating to said property, the council shall authorize the mayor or his/her designee to cause the necessary instruments to be prepared and executed to conclude the sale. (Ord. 1463 § 1, 2000).

3.84.060 Negotiated sale.

The city council may authorize the mayor or members of the city staff to negotiate for sale of city property upon such terms and conditions as the council shall set. (Ord. 1463 § 1, 2000).

3.84.070 Mayor and city council members barred from purchasing city property.

The mayor and members of the city council may not purchase property from the city, regardless of the value. City employees may purchase city property; provided, employees shall not be given preferential treatment in the terms or conditions of the sale. (Ord. 1463 § 1, 2000).

Chapter 3.88

HOTEL/MOTEL EXCISE TAX¹

Sections:

- 3.88.010 Adoption.
- 3.88.020 Tax deemed in addition to license fees or other taxes.
- 3.88.030 Special fund created for tourism.
- 3.88.040 Department of Revenue to collect and administer.

3.88.010 Adoption.

There is levied, as authorized by RCW 67.28.181, a special excise tax of one percent on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW. The lodging subject to tax under Chapter 82.08 RCW is 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 any similar license to use real property, as distinguished from the renting or leasing of real property. 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. 1502 § 1, 2001).

3.88.020 Tax deemed in addition to license fees or other taxes.

The tax levied in this chapter shall be in addition to any license fee or any other tax imposed or levied under any law or any other ordinance of the city. (Ord. 1502 § 1, 2001).

3.88.030 Special fund created for tourism.

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 cost 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. 1502 § 1, 2001).

3.88.040 Department of Revenue to collect and administer.

For the purposes 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 Department of Revenue follows the administrative provisions contained in RCW 82.08.050 through 82.08.070 and in Chapter 82.32 RCW in the administration and collection of the tax, as well as all rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW.

C. The Department of Revenue is authorized to prescribe and utilize such forms and reporting procedures as the Department may deem necessary and appropriate. (Ord. 1502 § 1, 2001).

1. Code reviser's note: Ordinance 1502 adds these provisions as Chapter 3.84. The chapter has been editorially renumbered to prevent duplication of numbering.