

Title 3

REVENUE AND FINANCE

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Chapter 3.06

EXPENDITURE OF FUNDS AND REVIEW OF CLAIMS AGAINST THE CITY

Sections:

- 3.06.010 Budget adoption – Council authority.
- 3.06.020 Authority to incur obligations.
- 3.06.030 Preliminary examination and approval.
- 3.06.040 Preparation of claims list.
- 3.06.050 Action by the council.
- 3.06.060 Claims not included in budget – Individual approval.
- 3.06.070 Bond required.
- 3.06.080 Council right to review claims.

3.06.010 Budget adoption – Council authority.

The council shall review and adopt the annual budget for each year, including the expected expenditures to be incurred during the ordinary course of business operations of the city for the following year. (Ord. 599 § 3, 1988)

3.06.020 Authority to incur obligations.

No department or official of the city shall incur any obligations or authorize any public works on behalf of the city without the prior approval of the city council, except that department heads may incur routine obligations as are normally required for the conduct of their respective offices. (Ord. 599 § 3, 1988)

3.06.030 Preliminary examination and approval.

All invoices, demands and vouchers presented to the city for payment shall first be referred to and examined by the appropriate administrative official or department head, who shall determine and make a notation whether the same is due and unpaid, and should be approved. (Ord. 599 § 3, 1988)

3.06.040 Preparation of claims list.

A. The city administrator/clerk shall audit and examine all demands presented against the city for payment after the same have been examined and approved by the appropriate administrative official or department head. If he or she concurs in the finding that a demand is due and owing, and if funds are available, and if he or she further finds that payment of said demand would not be in violation of any city ordinance, state statute or general law, he or she may authorize payment of the same. The authorization shall be sufficient for the honoring and payment of such demand.

B. The city administrator or city clerk shall prepare a list of warrants to be presented for approval by the city council and shall make a recommendation regarding the same, or may authorize payment prior to city council approval, subject to city council review pursuant to this chapter. Such payment must be in accordance with contracting, hiring, purchasing and disbursing policies that implement effective internal control, as directed by the city council, pursuant to RCW 42.24.180(2). (Ord. 599 § 3, 1988)

3.06.050 Action by the council.

A. The city administrator or city clerk shall present to the council a chronological list showing the warrant number, payee name, and warrant amount for each warrant issued by the city, for approval by the council; provided, however, that the chronological list shall include a certification by the administrator/clerk that the expenditures and warrants issued are provided for within the current annual budget.

B. The city council shall consider and approve or deny by majority vote the vouchers and demands presented against the city for payment and any payment made pursuant thereto, as the same are presented to it at a regular meeting or special meeting of the council called for that purpose.

3.06.060

C. If, upon review, the city council disapproves any claims previously paid, the city administrator and the mayor shall jointly cause the disapproved claims to be recognized as receivables of the city and pursue collection diligently until the amounts disapproved are collected or until the council is satisfied and approves the claims. (Ord. 599 § 3, 1988)

3.06.060 Claims not included in budget – Individual approval.

In the event a demand or claim is made against the city which is not included within the current annual budget, the administrator/clerk shall present the individual requested warrant, accompanied by invoice and explanation, to the council for individual council approval. (Ord. 599 § 3, 1988)

3.06.070 Bond required.

A. Pursuant to RCW 42.24.180(1), as auditing officer and the officer designated to sign the checks or warrants, the city clerk/administrator and the mayor shall furnish an official bond for the faithful discharge of their duties in an amount not less than \$50,000.

B. The requirements of this section may be met by the provision of individual bonds or by a blanket fidelity and faithful performance bond covering the named officials and others where appropriate, so long as the limits per occurrence meet or exceed the specified bond amounts given. (Ord. 638 § 1, 1990: Ord. 599 § 3, 1988)

3.06.080 Council right to review claims.

Nothing in this chapter shall restrict the council's right and privilege to review any specific demand or claim, warrant or invoice, or other financial records which are part of the city's official business records. (Ord. 599 § 3, 1988)

Chapter 3.08

GENERAL FUND NO. 001

Sections:

3.08.010 Created.

3.08.010 Created.

A new fund entitled "General Fund No. 001" is created. The fund shall constitute the operations fund for the city. Revenues deposited into and appropriated from the fund shall include but are not limited to revenues and expenses allocated to the legislative, executive, financial and administrative, legal, library, law enforcement, fire, transportation and public works/building departments. (Ord. 653 § 5, 1991)

Chapter 3.10

Chapter 3.12

RESERVE FUND NO. 002

PROJECT FUND NO. 100

Sections:

3.10.010 Created.

Sections:

3.12.010 Created.

3.10.010 Created.

There is created "Reserve Fund No. 002" which fund shall serve as the discretionary or emergency fund for the city. (Ord. 653 § 6, 1991)

3.12.010 Created.

There is created "Projects Fund No. 100" which fund shall constitute the special revenue and projects fund for the city. The fund will separate all restricted revenue sources into subdepartments and will keep track of all revenues and expenses within those departments. The subdepartments will include but not be limited to criminal justice, energy code grant, comprehensive plan, parks and recreation, capital improvement projects and equipment replacement. (Ord. 653 § 7, 1991)

Chapter 3.14

AGENCY AND TRUST FUND NO. 600

(Repealed by Ord. 813)

Chapter 3.15

**LOCAL IMPROVEMENT DISTRICT
ADMINISTRATION REGULATIONS**

Sections:

- 3.15.010 Administration of LID.
- 3.15.020 LID petitions to be filed with city clerk-treasurer.
- 3.15.030 Officer designated to make preliminary estimates.
- 3.15.040 Penalty for delinquent assessments and installments.
- 3.15.050 Commencement of foreclosure proceedings.
- 3.15.060 Acceleration of installments.
- 3.15.070 Use of guaranty fund to pay local improvement district obligations.

3.15.010 Administration of LID.

The city shall administer and prosecute all actions and proceedings related to its 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. 865 § 1, 2005)

3.15.020 LID petitions to be filed with city clerk-treasurer.

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 shall be filed with the city clerk-treasurer (or such city officer who may hereafter assume the duties of the city clerk-treasurer). (Ord. 865 § 2, 2005)

3.15.030 Officer designated to make preliminary estimates.

The city public works director 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. 865 § 3, 2005)

3.15.040 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. (Ord. 865 § 4, 2005)

3.15.050 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 March 1st of each year; provided, any delay in commencing an assessment lien foreclosure proceeding beyond March 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. All lien foreclosure proceedings thus commenced shall seek an award of attorneys fees and costs of suit for the city to the fullest extent permitted by law. (Ord. 865 § 5, 2005)

3.15.060 Acceleration of installments.

Upon the failure to pay the city any installment of a local improvement district assessment, when due, the entire assessment shall be due and payable as of the date of such delinquency, and the collection thereof, including interest and penalties as applicable, shall be enforced by foreclosure pursuant to Chapter 35.50 RCW. (Ord. 865 § 6, 2005)

3.15.070 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 administrator (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 administrator (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 finance director (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. 865 § 9, 2005)

3.16.010

Chapter 3.16

LOCAL IMPROVEMENT GUARANTY FUND

Sections:

- 3.16.010 Established.
- 3.16.015 Maintenance and operation of the guaranty fund.
- 3.16.020 Payments into fund.
- 3.16.025 Minimum balance prescribed for the guaranty fund.
- 3.16.030 Payment of warrants.
- 3.16.040 Issuance of warrants.
- 3.16.045 Taxation for the guaranty fund.
- 3.16.050 Subrogation.
- 3.16.060 Claims against city.
- 3.16.070 Printing of CHMC 3.16.060 on bond.
- 3.16.080 Use of fund.
- 3.16.085 Use of guaranty fund to pay arbitrage rebate.
- 3.16.090 Transfer of assets to general fund.

3.16.010 Established.

In accordance with Chapter 35.54 RCW, the city establishes and creates a fund for the purpose of guaranteeing, to the extent of such fund, the payment of its bonds and warrants issued to pay for any local improvement ordered in local improvement districts in the city. This fund shall be known and designated as the "local improvement guaranty fund." (Ord. 717 § 1, 1995; Ord. 47 § 1, 1956)

3.16.015 Maintenance and operation of the guaranty fund.

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, obli-

gations issued under Chapter 39.50 RCW in anticipation of the issuance of local improvement district bonds. (Ord. 865 § 7, 2005)

3.16.020 Payments into fund.

The city treasurer is authorized and directed to pay into such local improvement guaranty fund all interest and earnings received from bank deposits of the fund, as well as any surplus remaining in any local improvement fund guaranteed by a local improvement guaranty fund after the payment of all outstanding bonds or warrants payable therefrom. (Ord. 717 § 2, 1995; Ord. 47 § 5, 1956)

3.16.025 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. 865 § 8, 2005)

3.16.030 Payment of warrants.

Defaulted bonds, interest coupons and warrants against the local improvement fund shall be purchased out of the local improvement guaranty fund, pursuant to RCW 35.54.070. (Ord. 717 § 4, 1995)

3.16.040 Issuance of warrants.

Warrants shall draw interest at a rate to be established by the city council at the time of issuance. Such warrant shall be issued by the city, against the local improvement guaranty fund to meet any liability accruing against it; provided, that such warrants shall at no time

exceed five percent of the outstanding obligations guaranteed by the fund. (Ord. 717 § 5, 1995; Ord. 47 § 3, 1956)

3.16.045 Taxation for the guaranty fund.

Whenever warrants drawing interest are issued by the city against the guaranty fund to meet any proper liability of such fund, at the time of making its next annual budget and tax levy, the city shall provide for the levying of a sum sufficient, with other resources of that fund, to pay warrants so issued during the preceding fiscal year and to establish an appropriate balance therein. This section is intended to implement Chapter 35.54 RCW and assure that a balance considered appropriate by the city council is maintained in the guaranty fund. (Ord. 865 § 10, 2005; Ord. 717 § 6, 1995)

3.16.050 Subrogation.

Whenever the city shall have paid out of the local improvement guaranty fund any sum on account of principal or interest on a local improvement bond or warrant guaranteed under this chapter, the city, as trustee for such fund, shall be subrogated to all of the rights of the holder of the bond, interest coupon or warrant so paid, and the proceeds thereof, or of the underlying assessment, shall become a part of the fund. (Ord. 717 § 7, 1995; Ord. 47 § 4, 1956)

3.16.060 Claims against city.

Neither the owner nor the holder of any bond, interest coupon, or warrant issued against a local improvement fund after the passage of the ordinance codified in this chapter shall have any claim therefor against the city except for payment from the special assessments made for the improvement for which the bond or warrant was issued, and except as against the local improvement guaranty fund created by this chapter. The city shall not be liable to any holder or owner of such bond, interest coupon, or warrant for any loss to the guaranty fund occurring in the lawful operation thereof by the city. The remedy of the

holder or owner of a bond or warrant in case of no payment shall be confined to the enforcement of the assessment and to the guaranty fund. (Ord. 47 § 6, 1956)

3.16.070 Printing of CHMC 3.16.060 on bond.

A copy of CHMC 3.16.060 shall be plainly written, printed, or engraved on each bond issued and guaranteed under this chapter. (Ord. 717 § 8, 1995; Ord. 47 § 7, 1956)

3.16.080 Use of fund.

For the purpose of protecting the local improvement guaranty fund, so much of the local improvement 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, pursuant to RCW 35.54.080. (Ord. 717 § 9, 1995)

3.16.085 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. 865 § 11, 2005)

3.16.090 Transfer of assets to general fund.

Any transfer of assets from the local improvement guaranty fund to the general fund shall be made in compliance with RCW 35.54.095. (Ord. 717 § 10, 1995)

3.18.010

Chapter 3.18

**PETTY CASH FUNDS AND
CHANGE FUNDS**

Sections:

3.18.010 Established.

3.18.020 Change funds established.

3.18.010 Established.

There are established three separate petty cash funds, each in the amount of \$75.00, one for the city clerk, one for the chief of police and one for the street superintendent, to be used to pay incidental expenses, the accounting for which is to be made to the city council at such times as they need to be replenished. (Ord. 474, 1983)

3.18.020 Change funds established.

There is established a change fund to be used to make change when payments are received by the city. The amount of each change fund shall initially be \$100.00 and thereafter such amount as shall be provided for in the city council annual budget from time to time. The fund shall be administered by the city clerk or an individual who has been duly designated by the mayor to perform such administration. (Ord. 642 § 3, 1991)

Chapter 3.20

**LOCAL IMPROVEMENTS AND
SPECIAL ASSESSMENTS**

(Repealed by Ord. 718)

Chapter 3.22

LEASEHOLD EXCISE TAX

Sections:

- 3.22.010 Imposition of tax.
- 3.22.020 Rate of tax.
- 3.22.030 Allowable credits.
- 3.22.040 Exemptions.
- 3.22.050 Contract authorized.
- 3.22.060 Inspection of records.
- 3.22.070 Penalties.

3.22.010 Imposition of tax.

Pursuant to RCW 82.29A.040 as the same now exists or may hereafter be amended, the city of Clyde Hill hereby imposes a leasehold excise tax upon the act or privilege of occupying or using publicly owned real or personal property within the city of Clyde Hill through a "leasehold interest" as defined by RCW 82.29A.020, as the same now exists, or may hereafter be amended. The tax shall be paid, collected and remitted to the Department of Revenue at the time and in the manner prescribed by RCW 82.29A.050, as the same now exists or may hereafter be amended. (Ord. 694 § 1, 1994)

3.22.020 Rate of tax.

The rate of the imposed tax shall be equal to four percent of taxable rent as defined by RCW 82.29A.020, as the same now exists or may hereafter be amended. (Ord. 694 § 2, 1994)

3.22.030 Allowable credits.

After computation of the taxes imposed pursuant to RCW 82.29A.030 and 82.29A.020 there shall be allowed the following credits in determining the tax payable:

A. With respect to a leasehold interest other than a product lease, executed with an effective date of April 1, 1986, or thereafter, or a leasehold interest in respect to which the Department of Revenue under the authority of RCW 82.29A.020 does adjust the contract rent

base used for computing the tax provided for in RCW 82.29A.030, there shall be allowed a credit against the tax as otherwise computed equal to the amount, if any, that such tax exceeds the property tax that would apply to such leased property if it were privately owned.

B. With respect to a product lease, a credit of 33 percent of the tax otherwise due. (Ord. 694 § 3, 1994)

3.22.040 Exemptions.

Leasehold interests exempted by RCW 82.29A.130 and 82.29A.135 as they now exist or may hereafter be amended shall be exempt from the tax imposed pursuant to CHMC 3.22.010. (Ord. 694 § 4, 1994)

3.22.050 Contract authorized.

Pursuant to RCW 82.29A.080, as the same now exists or may hereafter be amended, the city administrator is authorized to enter into a contract prior to the effective date of the ordinance codified in this chapter with the Department of Revenue for the administration and collection of said tax. (Ord. 694 § 5, 1994)

3.22.060 Inspection of records.

The city of Clyde Hill hereby consents to the inspection of such records as are necessary to qualify the city of Clyde Hill for inspection of records of the Department of Revenue pursuant to RCW 82.32.230. (Ord. 694 § 6, 1994)

3.22.070 Penalties.

Any person violating any provision of this chapter shall be guilty of a misdemeanor and upon conviction thereof punished pursuant to state law or city ordinance. (Ord. 694 § 7, 1994)

3.24.010

Chapter 3.24

SALES OR USE TAX

Sections:

- 3.24.010 Tax imposed.
- 3.24.020 Rate.
- 3.24.030 Administration and collection.
- 3.24.040 Inspection of records.
- 3.24.050 Violation designated.

3.24.010 Tax imposed.

There is imposed a sales or use tax, as the case may be, upon every taxable event, as defined in Section 3, Chapter 94, Laws of 1970, First Extraordinary Session, 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 RCW Chapters 82.08 and 82.12. (Ord. 265 § 1, 1970)

3.24.020 Rate.

The rate of the tax imposed by CHMC 3.24.010 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, the rate of tax imposed by this chapter shall be four hundred twenty-five/one-thousandths of one percent. (Ord. 265 § 2, 1970)

3.24.030 Administration and collection.

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of Section 6, Chapter 94, Laws of 1970, First Extraordinary Session. (Ord. 265 § 3, 1970)

3.24.040 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. The mayor is authorized to enter into an agreement

with the Department of Revenue for administration of the tax. (Ord. 265 § 4, 1970)

3.24.050 Violation designated.

Any seller who fails or refuses to collect the tax 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. (Ord. 265 § 5, 1970)

Chapter 3.26**ADDITIONAL SALES OR USE TAX**

Sections:

- 3.26.010 Imposition.
- 3.26.020 Rate of tax.
- 3.26.030 Administration and collection.
- 3.26.040 Consent to inspection of records.
- 3.26.050 Authorizing execution of contract for administration.
- 3.26.060 Special initiative.
- 3.26.070 Penalties.
- 3.26.080 Effective date.

3.26.010 Imposition.

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 tax or use tax is collected pursuant to RCW Chapters 82.08 and 82.12. (Ord. 477 § 1, 1983)

3.26.020 Rate of tax.

The rate of the tax imposed by CHMC 3.26.010 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 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 CHMC 3.26.010; 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 CHMC 3.26.010 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. 477 § 2, 1983)

3.26.030 Administration and collection.

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050. (Ord. 477 § 3, 1983)

3.26.040 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. 477 § 4, 1983)

3.26.050 Authorizing execution of contract for administration.

The mayor and clerk are authorized to enter into a contract with the Department of Revenue, pursuant to RCW 82.32.330. (Ord. 477 § 5, 1983)

3.26.060 Special initiative.

This chapter shall be subject to a special initiative for a 30-day period commencing at the time of final passage. The number of registered voters needed to sign a petition for special initiative shall be 15 percent of the total number of names of persons listed as registered voters within the city on the day of the last preceding municipal general election. If a special initiative petition is filed with the city council, the operation of this chapter shall be suspended until the special initiative petition is found insufficient or until this chapter receives a favorable majority vote by the voters. The procedures for referendum upon petition contained in RCW 35A.11.100 shall apply to any such special initiative petition. (Ord. 477 § 6, 1983)

3.26.070 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

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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. 477 § 7, 1983)

3.26.080 Effective date.

This chapter shall take effect January 1, 1984. (Ord. 477 § 9, 1983)

Chapter 3.28

UTILITY TAXES

Sections:

- 3.28.010 Purpose.
- 3.28.020 Definitions.
- 3.28.030 Businesses subject to tax.
- 3.28.040 Exceptions and deductions from gross income.
- 3.28.050 Quarterly returns and payment.
- 3.28.060 Allocation of income for cellular telephone service.
- 3.28.070 Books and records – Inspection and confidentiality.
- 3.28.080 Investigation of returns.
- 3.28.090 Over or under payment.
- 3.28.100 Failure to make return or pay taxes.
- 3.28.110 Appeal to city council.
- 3.28.120 Rules and regulations.
- 3.28.130 Unlawful acts.
- 3.28.140 Penalty for violation.
- 3.28.150 Rate change.

3.28.010 Purpose.

The provisions of this chapter shall be deemed to be an exercise of the power of the city of Clyde Hill to impose excises for revenue, as authorized by RCW 35.21.865, 35A.82.020, and other applicable state law. (Ord. 829 § 1, 2001)

3.28.020 Definitions.

Where used in this chapter, the following words and terms shall have the meanings as defined in this section, unless, from the context, a more limited or different meaning is clearly defined or apparent:

A. “Cable service” shall have the meaning set forth in 47 U.S.C. Section 522(6), as said statute presently exists or is hereafter amended.

B. “Cellular telephone service” means a one- or two-way telecommunications system used to transmit voice and/or data-based signals or content in whole, or substantially in

part, on wireless radio communications, and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service, pager services, specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes a purpose similar to cellular mobile service, including paging services. Cellular telephone service shall not include competitive telephone service.

C. "Clerk" shall mean the city clerk of the city of Clyde Hill, or his or her designee.

D. "Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital of the business engaged in, including rentals, royalties, fees or other emoluments, receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages or other evidences of indebtedness or stock and the like) and without any deduction on account of the cost of the property or service sold, the cost of materials used, labor costs, interest or discount paid, taxes, or any expense whatsoever, and without any deduction on account of losses.

E. "Person" or "persons" means natural persons of either gender, firms, co-partnerships, corporations, municipal corporations, and other associations of natural persons whether acting by themselves or by servants, agents or employees.

F. "Taxpayer" means any person liable for taxes imposed by this chapter.

G. "Tax year" or "taxable year" means the 12-month period commencing January 1st and ending December 31st of the same year. (Ord. 829 § 1, 2001)

3.28.030 Businesses subject to tax.

There is hereby levied upon all persons engaged in business activities taxable under this chapter a utility tax or business and occupation tax in the amounts to be determined by the application of the respective rates against gross income of such taxpayer. Taxpayers engaged in or carrying on the business shall be charged with collection of the tax as a condition of doing business, and the tax shall be levied thereafter upon their subscribers at the rate set forth below.

A. Upon every person engaged in or carrying on a telephone business, as defined in Chapter 82.04 RCW, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income, exclusive of the revenues from intrastate and interstate toll calls, derived from the operation of such business within the city. To the extent permitted by applicable federal and state law, any telecommunications services provided by a cable operator (as defined in 47 U.S.C. Section 522(5)) or other persons over cable television facilities owned or controlled by a cable operator shall be taxable hereunder.

B. Upon every person engaged in a gas distribution business, as defined in RCW 82.16.010(7), as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from the operation of such business within the city.

C. Upon every person engaged in a light or power business, as defined in RCW 82.16.010(5), as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from such business within the city.

D. Upon every person engaged in or carrying on the sale of cellular telephone service, a tax equal to six percent of the total gross income derived from the operation of such business within the city.

E. Upon every person engaged in the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses, a tax equal

3.28.040

to nine percent of the total gross income derived from the operation of such business within the city; provided, however, that the tax imposed by this subsection shall not apply to any entity which the city is prohibited from taxing under applicable federal or state law or to any entity which pays an equivalent franchise or other comparable fee to the city.

F. Upon every person engaged in the operation and sale of sewer utility services, a tax equal to nine percent of the total gross income derived from the operation of such business within the city; provided, however, that the tax imposed by this subsection shall not apply to any entity which the city is prohibited from taxing under applicable federal or state law or to any entity which pays an equivalent franchise or other comparable fee to the city.

G. There is levied a tax on the business of solid waste collection, transportation, or disposal and for the privilege of carrying on the business, such tax to be equal to four percent of the total gross revenue derived from solid waste collection, transportation, or disposal within the city.

H. There is levied a tax on the business of transmitting television by cable and for the privilege of carrying on the business, such tax to be equal to nine percent of the gross revenue derived from the sale of cable television services. (Ord. 896 §§ 1 – 4, 2008; Ord. 885 § 1, 2006; Ord. 883 §§ 1, 2, 2006; Ord. 876 §§ 1, 2, 3, 2005; Ord. 869 §§ 1, 2, 3, 2004; Ord. 829 § 1, 2001)

3.28.040 Exceptions and deductions from gross income.

There shall be excluded from the total gross income upon which the tax is computed the following:

A. Revenues derived from transactions in interstate or foreign commerce, or from business done for the United States and the state, or their officers or agents or any amounts paid by the taxpayer to the United States and the state, the city or to any political subdivision of the

state, as excise taxes levied or imposed upon the sale or distribution of property or services, or as a utility tax.

B. That portion of gross income derived from charges to another telecommunications company, as defined in RCW 80.40.010, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or charges for, interstate service.

C. Charges incurred by a taxpayer engaging in a telephone business and paid to a telecommunications company, as defined in RCW 80.40.010, for telephone service that the taxpayer purchases for the purpose of resale.

D. Adjustments made to a billing or to a customer account or a telecommunications company accrual account in order to reverse a billing or a charge that has been made as a result of third party fraud or other crime and was not properly a debt of a customer.

E. A deduction from gross income, and for cellular telephone companies which keep their regular books of accounts on an accrual basis, for cash discounts and credit losses sustained by a taxpayer as a result of cellular telephone service business. (Ord. 829 § 1, 2001)

3.28.050 Quarterly returns and payment.

A. On or before the thirtieth day following the end of each calendar quarter (i.e., April 30th, July 30th, October 30th, and January 30th), each taxpayer shall remit payment for the preceding quarter's tax, accompanied by a quarterly statement showing the manner in which the quarterly payment is calculated. The quarterly statement shall be upon a form provided by the clerk and shall contain such information as may be necessary to enable the clerk to arrive at the lawful amount of the tax. The taxpayer shall, in a legible manner provide all information required by the clerk on such returns, shall sign the same, and by affidavit shall swear or affirm that the information therein given is full and true and that the taxpayer knows the same to be so.

B. Quarterly returns shall be accompanied by a remittance by bank draft, certified check, cashier's check or money order, payable to the city of Clyde Hill, or in cash, in the amount of the fee or tax owed, including delinquencies and installments.

C. Payment made by draft or check shall not be deemed a payment of the fee or tax unless and until the same has been honored in the usual course of business, nor shall acceptance of any such check or draft operate as an acquittance or discharge of the fee or tax unless and until the check or draft is honored.

D. If the taxpayer is a partnership, returns must be made by one of the partners; if a cor-

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poration, by one of the officers thereof; if a foreign corporation, co-partnership or nonresident individual, by the resident agent or local manager of said corporation, co-partnership or individual. (Ord. 829 § 1, 2001)

3.28.060 Allocation of income for cellular telephone service.

A. Service Address. Payments by a customer for the telephone service from telephones without a fixed location (i.e., cellular telephone service) shall be allocated among taxing jurisdictions to the location which 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 is current and accurate, unless the taxpayer has actual knowledge to the contrary.

C. Roaming Phones. When service is provided while a customer is roaming outside the customer'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. Authority of Clerk. The clerk is authorized to represent the city in negotiations with other cities for the proper allocation of cellular telephone service taxes imposed pursuant to this chapter. (Ord. 829 § 1, 2001)

3.28.070 Books and records – Inspection and confidentiality.

A. It is the duty of each taxpayer to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of its gross income, which account shall be open to inspection by the clerk, or his or her designee at a reasonable time, and from which the clerk or his or her designee may verify returns made by the taxpayer.

B. To the extent permitted by Chapter 42.17 RCW and other applicable statutes,

returns made to the clerk pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of any person except the mayor, the city administrator, the city attorney, the clerk, or his or her authorized agent and members of the city council. (Ord. 829 § 1, 2001)

3.28.080 Investigation of returns.

If any taxpayer fails to make his or her return, or if the clerk is dissatisfied as to the correctness of the statements made in the return of any taxpayer, the clerk, or his or her designee, may: (A) enter the premises of such taxpayer at any reasonable time for the purpose of inspecting and auditing the taxpayer's books or records to ascertain the amount of the fee or tax or to determine the correctness of such statements, as the case may be; (B) may examine any person under oath administered by the clerk, or his or her designee, touching the matters inquired into; or (C) fix a time and place for an investigation of the correctness of the return, and issue a subpoena to the taxpayer, or any other person, to attend such investigation and testify, under oath administered by the clerk, or his or her agent, in regard to the matters inquired into and may, by subpoena, require him or her, or any person, to bring with him or her such books, records and papers as may be necessary. In the event that any such audit reveals an underpayment of 10 percent or more, the taxpayer shall, in addition to any other penalties established by law, be responsible for all of the costs associated with the audit, including, but not limited to, staff time and overhead, accounting fees, professional service fees, and attorneys' fees. (Ord. 829 § 1, 2001)

3.28.090 Over or under payment.

A. Overpayment. If the clerk, upon investigation or upon checking returns, finds that the fee or tax paid by a taxpayer is more than the amount required of the taxpayer, he or she shall return the amount overpaid, upon the

3.28.100

written request of the taxpayer. Refund requests not made by the taxpayer within four years of any overpayment shall be forever barred.

B. Underpayment. If the clerk finds that the fee or tax paid by a taxpayer is less than required, he or she shall send a statement to the taxpayer showing the balance due, together with a penalty of 10 percent of the amount due, and the taxpayer shall, within 10 days, pay the amount shown thereon. If payment is not received by the clerk by the due date specified in the notice, the clerk shall add a penalty of an additional 25 percent of the amount of the additional tax found due. In the event that the balance due, including all penalties, is not paid in full within 30 days from the date specified, the penalty shall be increased by 15 percent of the amount due and the total amount due shall accrue interest at the rate of 12 percent per annum. If the clerk finds that all, or any part of, the deficiency resulted from an intent to evade the tax payable hereunder, a penalty of 50 percent of the additional tax found to be due shall be added and the amounts due, including penalties, shall accrue interest at the rate of 12 percent per annum from the date the tax became due and the date payment is actually made. (Ord. 829 § 1, 2001)

3.28.100 Failure to make return or pay taxes.

If any taxpayer fails to make a return or pay the fees or taxes therefor, or any part thereof, the clerk shall ascertain the amount of the fee or tax or installment thereof due and shall notify the taxpayer thereof, who shall be liable therefor in any suit or action by the city for the collection thereof. In the event that any taxes imposed by this chapter remain unpaid, the clerk may refer such claims to a collection agency or to the city attorney for collection. If referred to the city attorney for collection, the city attorney shall, with the assistance of the clerk, collect the same by any appropriate means or by suit or action in the name of the

city. In the event that the city prevails on any claim that a taxpayer in noncompliance with the terms of this chapter, the city shall be entitled to an award of its reasonable attorneys' fees and other professional expenses associated with prosecuting the action. (Ord. 829 § 1, 2001)

3.28.110 Appeal to city council.

A. Any taxpayer aggrieved by the amount of the fee, tax, or penalty found by the clerk to be required under the provisions of this chapter, may appeal to the city council from such finding by filing a written notice of appeal with the clerk within five days from the time such taxpayer was given notice of such amount and paying an appeal fee as established by the city council by resolution from time to time. The clerk shall, as soon as practicable, fix a time and place for the hearing of such appeal, which time shall be not more than 30 days after the filing of the notice of appeal, and the clerk shall cause a notice of the time and place thereof to be delivered or mailed to the appellant. At such hearing the taxpayer shall be entitled to be heard and to introduce evidence on his or her own behalf. The city council shall thereupon ascertain the correct amount of the fee, tax, or penalty by resolution and the clerk shall immediately notify the appellant thereof, which amount, together with costs of the appeal including outside legal, accounting, and other expenses, if the appellant is unsuccessful therein, must be paid within 10 days after such notice is given.

B. Any judicial appeal of the city council's final determination of such an appeal shall be filed and served within 21 days of the date of the city council's final vote on the matter, and the taxpayer shall be responsible for payment of the costs associated with producing the city's administrative record therein. (Ord. 829 § 1, 2001)

3.28.120 Rules and regulations.

The clerk shall have the power to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with applicable law for the purpose of carrying out the provisions of this chapter, and it is unlawful for any person or taxpayer to violate or fail to comply with any such rule or regulation. (Ord. 829 § 1, 2001)

3.28.130 Unlawful acts.

It is unlawful:

A. For any person liable for taxes or fees hereunder to fail or refuse to file returns or to pay any fee or tax or installment thereof when due;

B. For any person to make any false or fraudulent return or any false statement or representation in, or in connection with any such return;

C. To aid or abet another in any attempt to evade payment of the fee or tax, or any part thereof;

D. For any person to fail to appeal and/or testify in response to subpoena issued pursuant hereto;

E. To testify falsely upon any investigation of the correctness of a return, or upon the hearing of any appeal; or

F. In any manner to hinder or delay the city or any of its officers in carrying out the provisions of this chapter. (Ord. 829 § 1, 2001)

3.28.140 Penalty for violation.

Any person violating any of the provisions or failing to comply with any of the requirements of this chapter shall, in addition to being liable for the monetary penalties set forth herein, be subject to punishment in accordance with CHMC 1.08.010. (Ord. 829 § 1, 2001)

3.28.150 Rate change.

No change in the rate of tax upon persons engaging in providing services taxable under this chapter 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 clerk, or his or her designee, shall send to each taxpayer known to the city a copy of any ordinance changing the rate or tax upon taxable services promptly upon its enactment. (Ord. 829 § 1, 2001)

3.30.010

Chapter 3.30

REAL ESTATE EXCISE TAX

Sections:

- 3.30.010 Basic tax imposed.
- 3.30.015 Additional tax imposed.
- 3.30.020 Taxable events.
- 3.30.030 Consistency with state tax.
- 3.30.040 Distribution of proceeds.
- 3.30.050 Seller's obligation.
- 3.30.060 Lien provisions.
- 3.30.070 Notation of payment.
- 3.30.080 Date payable.
- 3.30.090 Excessive and improper payments.
- 3.30.100 Effective date.

3.30.010 Basic tax imposed.

Pursuant to RCW 82.46.010, 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 the city. (Ord. 635 § 1, 1990; Ord. 454 § 1, 1982)

3.30.015 Additional tax imposed.

Pursuant to RCW 82.46.035, 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 the city. This tax shall be in addition to, and not in lieu of, the tax imposed in CHMC 3.30.010. (Ord. 720 § 1, 1995; Ord. 635 § 2, 1990)

3.30.020 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 the city. (Ord. 454 § 2, 1982)

3.30.030 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 herein. (Ord. 454 § 3, 1982)

3.30.040 Distribution of proceeds.

A. The county treasurer shall place one percent of the proceeds of the taxes imposed in CHMC 3.30.010 in the county current expense fund to defray costs of collection.

B. The remaining proceeds from city taxes imposed under this chapter shall be distributed to the city monthly.

C. The revenues from taxes imposed under CHMC 3.30.010 shall be placed by the city treasurer in a municipal capital improvement fund and shall be used by the city for local improvements, including those listed in RCW 35.43.040. Revenues generated from the tax imposed in CHMC 3.30.010 shall be used primarily for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.540.

D. Revenues generated from the taxes imposed in CHMC 3.30.015 shall be deposited in a separate capital improvement fund and used solely for the financing of capital projects specified in a capital facilities plan element of a comprehensive plan approved by the city council. A new fund is created for the purpose of depositing moneys received by the city pursuant to the tax imposed by CHMC 3.30.015. (Ord. 720 § 2, 1995; Ord. 635 § 3, 1990; Ord. 454 § 4, 1982)

3.30.050 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. 454 § 5, 1982)

3.30.060 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. 454 § 6, 1982)

3.30.070 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 CHMC 3.30.060 and may be recorded in the manner prescribed for recording satisfactions or 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. 454 § 7, 1982)

3.30.080 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. 454 § 8, 1982)

3.30.090 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 until 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. 454 § 9, 1982)

3.30.100 Effective date.

This chapter shall take effect on July 1, 1982. (Ord. 454 § 11, 1982)

3.50.010

Chapter 3.32

**APPLICATION FEE FOR OPEN SPACE,
AGRICULTURAL OR TIMBER LANDS
CURRENT USE ASSESSMENT**

(Repealed by Ord. 721)

Chapter 3.40

PURCHASING

(Repealed by Ord. 723)

Chapter 3.44

SMALL WORKS ROSTER

(Repealed by Ord. 723)

Chapter 3.48

RIGHT-OF-WAY USE PERMIT FEES

(Repealed by Ord. 722)

Chapter 3.50

DONATIONS TO CLYDE HILL

Sections:

3.50.010 Administration.

3.50.020 Use.

3.50.030 Acceptance.

3.50.010 Administration.

The mayor or his designee shall have the responsibility for the financial administration of all donations to the city. (Ord. 817 § 1, 2000)

3.50.020 Use.

In the event a donor has indicated a desire for a particular use by the city of a donation, such donation shall, to the extent reasonably feasible, be used consistent with the donor's desired use. (Ord. 817 § 1, 2000)

3.50.030 Acceptance.

All monetary and nonmonetary donations with the current value up to \$1,000 may be approved by the mayor. All donations with a value greater than \$1,000 must be approved by the city council. The mayor shall estimate the value of any nonmonetary donation not supported by a bona fide appraisal, for the purposes of compliance with this section. (Ord. 817 § 1, 2000)