

**CITY OF GRANITE FALLS
ORDINANCE NO. 814-2010**

**AN ORDINANCE OF THE CITY OF GRANITE FALLS, WASHINGTON,
RELATING TO REAL ESTATE EXCISE TAXES UNDER CHAPTER 3.14 OF THE
GRANITE FALLS MUNICIPAL CODE (GFMC); AMENDING SECTION
3.14.025 OF GFMC CHAPTER 3.14; AND AMENDING SECTION 3.14.060
OF GFMC 3.14.**

WHEREAS, RCW 82.46.010(2) requires that real estate excise tax revenues imposed and collected under the authority of that statute ("REET 1") by cities with a population under 5,000 shall be used "for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040"; and

WHEREAS, RCW 82.46.035(3) requires that real estate excise tax revenues imposed and collected under the authority of that statute ("REET 2") shall be used in accordance with the statute for "capital projects" as that term is defined in RCW 82.46.035(5); and

WHEREAS, REET 1 and REET 2 tax revenues should be deposited and tracked in separate accounts within the Capital Improvement Fund to ensure that such funds are expended in accordance with state law; and

WHEREAS, the City previously enacted Ordinance No. 383 that established, authorized and imposed REET 1 taxes; and

WHEREAS, the City previously enacted Ordinance No. 518 that established, authorized and imposed REET 2 taxes; and

WHEREAS, the City previously enacted Ordinance No. 617 that required all real estate excise taxes to "be deposited into the capital improvement fund/sewer" and to be used for the "purposes of making capital improvements to the waste water treatment plant"; and

WHEREAS, this ordinance would amend GFMC Chapter 3.14 to clarify that REET 1 and REET 2 tax revenues shall be deposited and tracked in separate accounts within the Capital Improvement Fund to ensure that such funds are expended in accordance with state law; and

WHEREAS, and the City Council it is appropriate to amend GFMC Chapter 3.14 to clearly require that REET 1 and REET 2 tax revenues shall be deposited and tracked in

separate accounts within the Capital Improvement Fund to ensure that such funds are expended in accordance with state law;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANITE FALLS DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 3.14.025 of the Chapter 3.14 of the Granite Falls Municipal Code is hereby amended to read as follows:

3.14.025 Additional tax.

In accordance with RCW 82.46.035, and in addition to the excise tax on the sale of real property imposed by GFMC 3.14.010 and 3.14.020, there is hereby imposed an additional excise tax on each sale of real property located within the corporate limits of the city of Granite Falls at the rate of one-quarter of one percent of the selling price to be collected by the county as prescribed in RCW 82.46.060. ~~Proceeds from this additional tax shall be deposited in a separate account in the capital improvement fund/water and expended as authorized by law under RCW 82.46.035(5).~~

Section 2. Section 3.14.060 of the Chapter 3.14 of the Granite Falls Municipal Code is hereby amended to read as follows:

3.14.060 Deposit in capital improvement fund.

(A) All proceeds of the excise tax collected pursuant to GFMC 3.14.010 and which are disbursed to the city shall be deposited in a separate account into the capital improvement fund/sewer. Monies in said ~~account~~fund shall be accumulated from year to year, and ~~shall~~may be expended at such time as the city council directs for purposes of making capital improvements, including but not limited to capital improvements listed in RCW 35.43.040 to the waste water treatment plant.

(B) All proceeds of the excise tax collected pursuant to GFMC 3.14.025 and which are disbursed to the city shall be deposited in a separate account in the capital improvement fund. Monies in said account shall be accumulated from year to year, and shall be expended at such time as the city council directs in accordance with state law for purposes of financing capital projects as that term is defined in RCW 82.46.035(5).

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent

jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.


Section 4. Publication and Summary. This Ordinance or summary thereof consisting of the title shall be published in the official newspaper of the City.

Section 5. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of the summary consisting of the title.

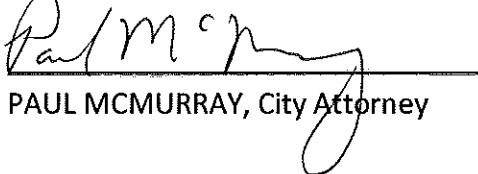
Said Ordinance was passed in open session by the City Council of the City of Granite Falls on the 15th day of December, 2010, and signed in authentication of its passage this 20th day of December, 2010.


SHEIKH HAROON SALEEM, Mayor

ATTEST:


DARLA REESE, City Clerk

APPROVED AS TO FORM:


PAUL MCMURRAY, City Attorney

DATE OF FIRST READING:

11/17/10

DATE OF SECOND AND FINAL READING:

12/15/10

DATE OF PUBLICATION:

12/23/10

EFFECTIVE DATE:

12/28/10