

ORDINANCE NO. XXXX

**AN ORDINANCE OF THE CITY OF SNOQUALMIE, WASHINGTON
REPEALING ORDINANCE 1296 § 8 AND RESOLUTION 1255 § 2(B)(3)
REGARDING UTILITY TAX FUND DESIGNATIONS; AND PROVIDING
FOR SEVERABILITY AND AN EFFECTIVE DATE.**

WHEREAS, on January 24, 2011, the Snoqualmie City Council adopted Ordinance No. 1076; and

WHEREAS, Ordinance No. 1076 increased utility taxes on solid waste and City's combined utility by 3%, from 6% to 9%, to provide additional revenue to pay for general obligation bonded indebtedness for Snoqualmie City Hall; and

WHEREAS, because the bonds for the City Hall were anticipated to be fully retired by March 2021, Ordinance 1076 also provided that the 3% utility tax increase would expire, and the applicable utility rate return to 6%, effective March 1, 2021; and

WHEREAS, on June 9, 2014, the City Council adopted Resolution No. 1255, which created the Street Overlay Reserve Fund, whose purpose was to accumulate resources to pay for street overlay projects; and

WHEREAS, Resolution No. 1255 also provided that, beginning in 2020 or as soon as the City Hall debt was discharged, and any future City Council decision concerning whether or not to allow the 3% utility tax increase to expire, the Finance Director would annually transfer the incremental 3% utility tax increase proceeds into the Street Overlay Reserve Fund; and

WHEREAS, on July 28, 2014, the City Council adopted Ordinance 1135 repealing the expiration of the 3% utility tax increase in its entirety so that the proceeds of the 3% tax increase could be transferred to the Street Overlay Reserve Fund after the City Hall bonded indebtedness was fully retired; and

WHEREAS, on September 29, 2019, the City Council adopted Ordinance 1220 amending the 2019-2020 Biennial Budget, which among other changes, transferred funds from the Street Overlay Reserve Fund to the Transportation Capital Fund and closed the Street

Overlay Reserve Fund; and

WHEREAS, the City Hall bonded indebtedness was fully retired by the refunding of the 2011 Limited Tax General Obligation (LTGO) Bond in July 2021; and

WHEREAS, on December 12, 2022, the City Council adopted Ordinance 1272 amending the 2021-2022 Biennial Budget, which among other changes, renamed the Transportation Capital Fund to the Non-Utility Capital Fund; and

WHEREAS, on January 26, 2024, the City Council adopted Ordinance 1285 establishing a 0.1% sales and use tax within the boundaries of the Snoqualmie Transportation Benefit District (TBD) for the purpose of financing the costs associated with transportation improvements, with the revenue accrued from the tax designated for the Non-Utility Capital Fund; and

WHEREAS, on October 7, 2024, the City Council adopted Ordinance 1296 approving the 2025-2026 Biennial Budget which in Section 8 of the ordinance apportioned the 3% utility tax increase from Ordinance 1076 between the Non-Utility Capital Fund and General Fund with 1.35% going to the Non-Utility Capital Fund and 1.65% going to the General Fund; and

WHEREAS, the City Council seeks to repeal all references in prior ordinances and resolutions designating the 3% utility tax increase from Ordinance 1076 to particular funds after the bonded indebtedness for Snoqualmie City Hall was paid; and

WHEREAS, the City Council also seeks to leave the City's Financial Management Policy as the sole authority designating where (i.e., what fund) utility taxes are recorded.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SNOQUALMIE, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Repeal of Ordinance 1296 § 8. Section 8 of Ordinance 1296 is hereby repealed.

Section 2. Repeal of Resolution 1255 § 2(B)(3). Section 2(B)(3) of Resolution 1255 is hereby repealed.

Section 3. Effective Date. This ordinance shall be effective five days after publication as provided by law.

Section 4. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk or the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance, section, or subsection numbering.

Section 5. Severability. If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

PASSED by the City Council of the City of Snoqualmie, Washington, this 27th day of April 2026.

James Mayhew, Mayor

ATTEST:

APPROVED AS TO FORM:

Robert Thrall, Interim City Clerk

Dena Burke, City Attorney