

Title 3

REVENUE AND FINANCE

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- 3.04 Treasurer's Authority to Invest Funds and Issue Warrants**
- 3.08 Procedure for Payment of Claims and Demands Against the Town**
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Chapter 3.04

**TREASURER'S AUTHORITY TO
INVEST FUNDS AND ISSUE
WARRANTS**

Sections:

3.04.010 Generally.

3.04.010 Generally.

The treasurer of the town of Friday Harbor is authorized to issue interest bearing warrants and pay the current warrant interest rate as charged by the town banking depository at that time. (Ord. 1132 § 1, 1999)

Chapter 3.08

**PROCEDURE FOR PAYMENT OF
CLAIMS AND DEMANDS AGAINST
THE TOWN**

Sections:

3.08.010 Supervisory official as auditing official.

3.08.020 Town council as audit board.

3.08.010 Supervisory official as auditing official.

Each supervisory official of the town is designated to be an auditing officer with respect to all operations of his/her department or activity for the purpose of authenticating and certifying, pursuant to RCW 42.24.080, that material has been furnished, that services have been rendered, that labor has been performed, and that the claim is just, due and an unpaid obligation against the town. (Ord. 563 § 1, 1982)

3.08.020 Town council as audit board.

Pursuant to RCW 35.27.340, the town council shall serve as an audit board to verify and allow all demands against the town. Allowance of demands shall be by affirmative vote of not less than three councilmembers and shall be evidenced by a certified voucher transmittal signed by the councilmembers and by the town clerk. (Ord. 563 § 2, 1982)

Chapter 3.10

SMALL WORKS ROSTER AND VENDOR LIST

Sections:

- 3.10.010 Purpose.
- 3.10.020 Small works roster – Established.
- 3.10.030 Small works roster – Utilization.
- 3.10.040 Vendor list – Established.
- 3.10.050 Vendor list – Utilization.

3.10.010 Purpose.

There is established for the town of Friday Harbor a small works roster comprised of all contractors who request to be on the roster and who are, where required by law, properly licensed or registered to perform contracting work in the state of Washington. (Ord. 1407 § 1, 2009)

3.10.020 Small works roster – Established.

The small works roster shall be established as follows:

A. At least twice every year, the town of Friday Harbor shall advertise in a newspaper of general circulation the existence of a small works roster for the town of Friday Harbor. The town shall add to the roster those contractors who respond to the advertisement and request to be included on the roster.

B. In order to be included on the roster, the contractor shall supply information on a contractor qualification form to be developed by the town. The contractor qualification form shall include, at a minimum, the name and address of the contractor, the contractor's Washington registration number, the contractor's insurance company, the contractor's bonding company, and the contractor's area or areas of work. (Ord. 1407 § 2, 2009)

3.10.030 Small works roster – Utilization.

The small works roster shall be utilized as follows:

Whenever the town of Friday Harbor seeks to construct any public work or improvement, the estimated cost of which, including costs of material, supplies, and equipment, is \$300,000

or less, the small works roster may be utilized, if the uniform procedure provided in RCW 39.04.155 and in town of Friday Harbor Resolution No. 1744, as same may be amended, is followed. (Ord. 1407 § 3, 2009)

3.10.040 Vendor list – Established.

The vendor list shall be established as follows:

At least twice every year the town of Friday Harbor shall advertise in a newspaper of general circulation the existence of a vendor list for the town of Friday Harbor. (Ord. 1407 § 4, 2009)

3.10.050 Vendor list – Utilization.

The vendor list shall be utilized as follows:

Whenever the reasonably anticipated purchase price of supplies, material and equipment, except for public work or improvement, is more than \$7,500 but less than \$15,000, advertisement and formal sealed bidding for their purchase may be dispensed with if the uniform procedure provided in RCW 39.04.190 and in town of Friday Harbor Resolution No. 1744, as same may be amended, is followed. (Ord. 1407 § 5, 2009)

Chapter 3.12

SALES AND USE TAX

Sections:

- 3.12.010 Imposition.
- 3.12.020 Rate.
- 3.12.030 Administration and collection.
- 3.12.040 Consent to inspection of records.
- 3.12.050 Authorization to enter into agreement with state.

3.12.050 Authorization to enter into agreement with state.

The town is authorized to enter into an agreement with the State Department of Revenue for the collection and administration of the revenue to be raised by this chapter. (Ord. 373 § 5, 1970)

3.12.010 Imposition.

There is imposed a sales and use tax, as the case may be, upon every taxable event, as defined in FHMC 3.12.030, within the town. The tax shall be imposed upon and collected pursuant to Chapters 82.08 and 82.12 RCW. (Ord. 373 § 1, 1970)

3.12.020 Rate.

The rate of the tax imposed by FHMC 3.12.010 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 the county, the rate of tax imposed by this chapter shall be four hundred twenty-five/one-thousandths of one percent. (Ord. 373 § 2, 1970)

3.12.030 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. 373 § 3, 1970)

3.12.040 Consent to inspection of records.

The town hereby consents to the inspection of such records as are necessary to qualify the town for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330. (Ord. 373 § 4, 1970)

Chapter 3.16

ADDITIONAL SALES AND USE TAX

Sections:

- 3.16.010 Imposition.
- 3.16.020 Rate.
- 3.16.030 Administration and collection.
- 3.16.040 Inspection of records.
- 3.16.050 Authorization to enter into agreement with state.
- 3.16.060 Special initiative.
- 3.16.070 Violation – Penalty.

3.16.010 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 town. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW. (Ord. 558 § 1, 1982)

3.16.020 Rate.

The rate of the tax imposed by FHMC 3.16.010 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 the 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 FHMC 3.16.010; provided further, that during such period as there is in effect a sales tax or use tax imposed by the 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 FHMC 3.16.010, 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. 558 § 2, 1982)

3.16.030 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. 558 § 3, 1982)

3.16.040 Inspection of records.

The town consents to the inspection of such records as are necessary to qualify the town for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330. (Ord. 558 § 4, 1982)

3.16.050 Authorization to enter into agreement with state.

The mayor and clerk are authorized to enter into a contract with the Department of Revenue for the administration of this tax. (Ord. 558 § 5, 1982)

3.16.060 Special initiative.

This chapter shall be subject to a special initiative proposing that the tax imposed by this chapter be changed or repealed. 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 town on the day of the last preceding municipal general election. If a special initiative petition is filed with the town council, the operation of this chapter shall not be suspended pending the final decision on the disposition of the special initiative. The procedures for initiative upon petition contained in RCW 35A.11.100 shall apply to any such special initiative petition. (Ord. 570 § 1, 1983; Ord. 558 § 6, 1982)

3.16.070 Violation – Penalty.

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. 558 § 7, 1982)

Chapter 3.20**REAL ESTATE EXCISE TAX**

Sections:

- 3.20.010 Imposition.
- 3.20.015 Additional tax imposed – Collection.
- 3.20.020 Taxable events.
- 3.20.030 Consistency with state tax.
- 3.20.040 Distribution of tax proceeds and limiting the use thereof.
- 3.20.045 Deposit in capital reserve for projects fund.
- 3.20.050 Seller’s obligation.
- 3.20.060 Lien provisions.
- 3.20.070 Notification of payment.
- 3.20.080 Date payable.
- 3.20.090 Excessive and improper payments.
- 3.20.095 Effective date.

3.20.010 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 town. (Ord. 553 § 1, 1982)

3.20.015 Additional tax imposed – Collection.

A. There is levied and imposed an additional excise tax on each sale of real property within the corporate limits of the town at a rate of one-quarter of one percent of the selling price of the real property.

B. The excise tax so imposed is in addition to the excise tax under FHMC 3.20.010.

C. The additional excise tax shall be collected in accordance with FHMC 3.20.020. (Ord. 854, 1991)

3.20.020 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 town. (Ord. 553 § 2, 1982)

3.20.030 Consistency with state tax.

The taxes imposed in this chapter shall com-

ply 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. 553 § 3, 1982)

3.20.040 Distribution of tax proceeds and limiting the use thereof.

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

B. The remaining proceeds from town taxes imposed in this chapter shall be distributed to the town monthly and those taxes imposed under FHMC 3.20.010 shall be placed by the town treasurer in a municipal capital improvements fund. These capital improvements funds shall be used by the town for local improvements, including those listed in RCW 35.43.040.

C. This section shall not limit the existing authority of this town to impose special assessments on property benefited thereby in the manner prescribed by law. (Ord. 553 § 4, 1982)

3.20.045 Deposit in capital reserve for projects fund.

All proceeds of the excise tax collected pursuant to FHMC 3.20.015 and disbursed to the town shall be deposited into the capital reserve for projects fund. Said proceeds shall be accumulated from year to year, and may be expended at such times as the town council shall, by ordinance, direct for purposes of making capital improvements for the public benefit, including but not limited to, those capital improvements listed in RCW 35.43.040 provided, that revenues generated from tax imposed under FHMC 3.20.015 shall be used primarily for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing assistance under RCW 59.18.440 and 59.18.450. (Ord. 854, 1991)

3.20.050 Seller's obligation.

Both excise taxes imposed in this chapter shall be the obligation of the seller and may be enforced through an action of debt against the seller or in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other. (Ord. 854, 1991; Ord. 553 § 5, 1982)

3.20.060 Lien provisions.

The real estate taxes imposed in this chapter and any interest or penalties thereon shall constitute a specific lien upon each piece of real property sold from the time of sale until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other. (Ord. 854, 1991; Ord. 553 § 6, 1982)

3.20.070 Notification of payment.

Both excise 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 town 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 taxes imposed in this chapter shall be evidence of the satisfaction of the lien imposed in FHMC 3.20.060 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 taxes are paid and the stamp affixed thereto. In case the taxes are 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. 854, 1991; Ord. 553 § 7, 1982)

3.20.080 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 after the time of sale until the date of payment. (Ord. 553 § 8, 1982)

3.20.090 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 town. (Ord. 553 § 9, 1982)

3.20.095 Effective date.

A. All provisions of this chapter relating to the excise tax imposed by FHMC 3.20.010 shall be effective July 1, 1982.

B. All provisions of this chapter relating to the additional excise tax imposed by FHMC 3.20.015 shall be effective January 1, 1992. (Ord. 854, 1991)

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Chapter 3.24

LEASEHOLD EXCISE TAX

Sections:

- 3.24.010 Levy and collection.
- 3.24.020 Rate.
- 3.24.030 Administration and collection.
- 3.24.040 Leasehold interests.
- 3.24.050 Inspection of records.
- 3.24.060 Authorization to enter into agreement with state.

3.24.010 Levy and collection.

There is levied and shall be collected a leasehold excise tax on and after January 1, 1976 upon the act or privilege of occupying or using publicly owned real or personal property within the town through a "leasehold interest" as defined by Section 2, Chapter 61, Laws of 1975-76, Second Extraordinary Session (hereafter referred to as "state act"). The tax shall be paid, collected, and remitted to the Department of Revenue of the state at the time and in the manner prescribed by Section 5 of the state act. (Ord. 425 § 1, 1976)

3.24.020 Rate.

The rate of the tax imposed by FHMC 3.24.010 shall be four percent of the taxable rent, as defined by Section 2 of the state act; provided, that the following credits shall be allowed in determining the tax payable:

A. With respect to a leasehold interest arising out of any lease or agreement, the terms of which were binding on the lessee prior to July 1, 1970, where such lease or agreement has not been renegotiated (as defined by Section 2 of the state act) since that date, and excluding from such credit:

1. Any leasehold interest arising out of any lease of property covered by the provisions of RCW 28B.20.394; and

2. Any lease or agreement including options to renew which extends beyond January 1, 1985, as follows:

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

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

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

d. With respect to taxes due in calendar year 1979, a credit equal to 20 percent of the tax produced by the above rate.

B. With respect to a product lease, as defined by Section 2 of the state act, a credit of 33 percent of the tax produced by the above rate. (Ord. 425 § 2, 1976)

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 the state act. (Ord. 425 § 3, 1976)

3.24.040 Leasehold interests.

Leasehold interests exempted by Section 13 of the state act as it now exists or may hereafter be amended shall be exempt from the tax imposed pursuant to FHMC 3.24.010. (Ord. 425 § 4, 1976)

3.24.050 Inspection of records.

The town consents to the inspection of such records as are necessary to qualify the town for inspection of records of the Department of Revenue pursuant to RCW 82.32.330. (Ord. 425 § 5, 1976)

3.24.060 Authorization to enter into agreement with state.

The mayor is authorized to execute a contract with the Department of Revenue of the state for the administration and collection of the tax imposed by FHMC 3.24.010; provided, that the town attorney shall first approve the form and content of said contract. (Ord. 425 § 6, 1976)

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Chapter 3.28

FUNDS

Sections:

Article I. Water Construction Fund

3.28.010 Created.

Article II. Refuse Capital Reserve Fund No. 435

3.28.020 Purpose.
3.28.030 Established.
3.28.040 Divisions designated.
3.28.050 Interest earned from investments.

Article III. Payroll Clearing Fund

3.28.070 Purpose.
3.28.080 Created.
3.28.090 Transfer of funds.
3.28.100 Issuance of warrants.
3.28.110 When operating fund becomes insolvent (compliance with RCW 39.56.030).
3.28.120 Interest earned from investment.

Article IV. Claims Clearing Fund

3.28.130 Purpose.
3.28.140 Created.
3.28.150 Transfer of funds.
3.28.160 Issuance of transfers.
3.28.170 When operating fund becomes insolvent (compliance with RCW 39.56.030).
3.28.180 Interest earned from investment.

Article V. Unemployment Compensation Reserve Fund

3.28.190 Purpose.
3.28.200 Established.
3.28.210 Revenues.
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3.28.230 Interest earned from investment.

Article VI. Current Capital Reserve Fund No. 002

3.28.235 Purpose.
3.28.240 Established.
3.28.245 Divisions designated.
3.28.250 Interest earned on investments.

Article VII. Advance Travel Expense Fund

3.28.290 Created.
3.28.300 Deposit – Advances by check from bank – Replenishment by warrant.

Article VIII. Equipment Reserve Fund No. 525

3.28.310 Purpose.
3.28.315 Established.
3.28.320 Funds – Source.
3.28.330 Funds – Transfers.
3.28.340 Expenditures.
3.28.350 Interest earned on investments.

Article IX. 1984 Sewer Bond Redemption Fund No. 423

3.28.360 —
3.28.395 *Repealed.*

Article X. (Reserved)

Article XI. Fire Station Construction Fund

3.28.450 —
3.28.490 *Repealed.*

Article XII. Fire Hall and Solid Waste Incinerator Construction Fund

3.28.500 *Repealed.*

Article XIII. 1984 Sewer System Improvement Construction Fund

3.28.510 *Repealed.*

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Article XIV. Bond Issuance Funds

- 3.28.520 1984 fire/refuse general obligation redemption fund No. 201 – Purpose.
- 3.28.530 1984 fire/refuse general obligation redemption fund No. 201 – Established.
- 3.28.540 1984 fire/refuse general obligation redemption fund No. 201 – Revenues.
- 3.28.550 1984 fire/refuse general obligation redemption fund No. 201 – Expenses.
- 3.28.560 1984 fire/refuse general obligation redemption fund No. 201 – Interest earned from investment.
- 3.28.570 1984 fire/refuse general obligation redemption fund No. 201 – Transfer of fund.
- 3.28.580 —
- 3.28.690 *Repealed.*
- 3.28.700 Sewer revenue fund account.
- 3.28.710 Water revenue bond fund, 1980.
- 3.28.720 *Repealed.*
- 3.28.730 *Repealed.*

Article XV. Public Works Reserve Fund No. 550

- 3.28.732 Purpose.
- 3.28.734 Established.
- 3.28.736 Funds – Source.
- 3.28.738 Expenditures.

Article XVI. Sewer Capital Reserve Fund No. 425

- 3.28.746 Purpose.
- 3.28.748 Established.
- 3.28.750 Divisions designated.
- 3.28.752 Interest earned on investments.

Article XVII. Treasurer's Trust Fund No. 633

- 3.28.755 Street improvements.
- 3.28.756 Main extension deposits.
- 3.28.757 Tree fund.
- 3.28.758 Bench trust.

- 3.28.759 Park improvements.
- 3.28.760 Deposits not limited – Separate accounting.

Article XVIII. Argyle Avenue Loan Redemption Fund No. 202

- 3.28.764 Established.
- 3.28.766 Source.
- 3.28.768 Percentage contributions.
- 3.28.770 Use of interest earnings.

Article XIX. Water Fund

- 3.28.772 Established.

Article XX. Water Capital Reserve Fund No. 415

- 3.28.775 Purpose.
- 3.28.778 Established.
- 3.28.780 Divisions designated.
- 3.28.785 Interest earned on investments.

Article XXI. Fiscal Agency Fund No. 635

- 3.28.790 Purpose.
- 3.28.800 Established.
- 3.28.810 Fund used for assets held in trust.

Article XXII. Deferred Compensation Fund No. 637

- 3.28.820 Purpose.
- 3.28.830 Established.
- 3.28.840 Fund used for accounting.

Article XXIII. Landfill Closure Fund

- 3.28.850 Purpose.
- 3.28.860 Established.
- 3.28.870 Deposit of funds.
- 3.28.880 Expenditures.
- 3.28.890 Funds accumulation.
- 3.28.900 Investment interest.

Article XXIV. Special Reserve Fund No. 125

- 3.28.910 Purpose.

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- 3.28.920 Established.
- 3.28.930 Divisions designated.
- 3.28.940 Interest earned on investments.
- 3.28.950 Transfer.

Article XV. Storm Water Capital Reserve Fund No. 455

- 3.28.960 Purpose.
- 3.28.970 Established.
- 3.28.980 Divisions designated.
- 3.28.990 Interest earned on investments.
- 3.28.1000 Transfer.

Article XVI. Street Capital Reserve Fund No. 445

- 3.28.1010 Purpose.
- 3.28.1020 Established.
- 3.28.1030 Divisions designated.
- 3.28.1040 Interest earned on investments.
- 3.28.1050 Transfer.

Article I. Water Construction Fund**3.28.010 Created.**

Repealed by Ord. 1133. (Ord. 610 § 1, 1984; Ord. 325 § 6, 1962)

Article II. Refuse Capital Reserve Fund No. 435**3.28.020 Purpose.**

The purpose of this article is to establish a capital reserve for future refuse fund expenditures. (Ord. 1449 § 1, 2010)

3.28.030 Established.

There is hereby established a fund to be known as the refuse capital reserve fund No. 435. (Ord. 1449 § 2, 2010)

3.28.040 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the refuse fund No. 430, issuance of bonds, loans, grants or other revenue sources and will be used to finance capital projects for the refuse system.

B. Major Repairs. Revenues for this department will come from a budgeted transfer from the refuse fund No. 430 or other revenue sources and will be used to finance major repairs to the town's refuse system.

C. Studies. Revenues for this department will come from a budgeted transfer from the refuse fund No. 430, grants, loans or other revenue sources and will be used to fund studies beneficial to the refuse system. (Ord. 1449 § 3, 2010)

3.28.050 Interest earned from investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1449 § 4, 2010)

Article III. Payroll Clearing Fund**3.28.070 Purpose.**

The payroll clearing fund shall be used and payments therefrom shall be made only for the purpose of paying and compensating employees of the town for services rendered, and paying employee deductions to those persons, agencies and organizations entitled to such payments. (Ord. 536 § 1, 1981)

3.28.080 Created.

There is created a fund, known and designated as the payroll clearing fund, into which shall be paid and transferred from the various departments an amount of money equal to the various salaries and wages and other compensations due town employees. (Ord. 536 § 2, 1981)

3.28.090 Transfer of funds.

Whenever it is deemed necessary, the town treasurer is authorized, empowered and directed to transfer from the funds of the various departments to the payroll clearing fund sufficient moneys to pay the salaries, wages and other compensations of the employees of the various departments of the town. (Ord. 536 § 3, 1981)

3.28.100 Issuance of warrants.

As allowed by the State Auditor's Office, in Bulletin No. 212, dated February 28, 1961, the town clerk is authorized, empowered and directed to issue warrants on and against the fund for payments authorized by FHMC 3.28.070. The warrants shall be issued only after there has been filed with the town clerk proper payrolls, due bills, or time certificates approved by the town council stating the nature of the services rendered, the amount due or owing and the person entitled thereto. All warrants issued on or against the fund shall be solely and for the purposes set forth in this article and shall be payable only out of and from the fund. Each warrant issued under the provisions of this section shall have printed on its face the words, "Payroll Clearing Fund." (Ord. 536 § 4, 1981)

3.28.110 When operating fund becomes insolvent (compliance with RCW 39.56.030).

In the event that an operating fund becomes insolvent, interest bearing warrants will be issued to the clearing fund (or funds) involved in place of a transfer, and will be deposited along with other town cash receipts. (Ord. 536 § 5, 1981)

3.28.120 Interest earned from investment.

Interest earned by the investment of this fund shall be credited to the current fund. (Ord. 536 § 6, 1981)

Article IV. Claims Clearing Fund**3.28.130 Purpose.**

The claims clearing fund shall be used and payments therefrom shall be made only for the purpose of paying any claims against the town. (Ord. 537 § 1, 1981)

3.28.140 Created.

There is created a fund, known and designated as the claims clearing fund, into which shall be paid and transferred from the various departments an amount of money equal to the claims against the town for any purpose. (Ord. 537 § 2, 1981)

3.28.150 Transfer of funds.

Whenever it is deemed necessary, the town treasurer is authorized, empowered and directed to transfer from the funds of the various departments to the claims clearing fund sufficient moneys to pay the claims against the various departments of the town. (Ord. 537 § 3, 1981)

3.28.160 Issuance of transfers.

A. As allowed by the State Auditor's Office, in Bulletin No. 212, dated February 28, 1961, the town clerk is authorized, empowered and directed to issue warrants on and against the fund in payment of materials furnished, services rendered or expense or liability incurred by the various departments and offices of the town.

B. The warrant shall be issued only after there has been filed with the town clerk proper vouchers, approved by the town council, stating the nature of the claim, the amount due or owing and the person, firm or corporation entitled thereto.

C. All warrants issued on or against the fund shall be solely and only for the purposes set forth in this article and shall be payable only out of and from the fund.

D. Each warrant issued under the provisions of this section shall have on its face the words "claims clearing fund." (Ord. 537 § 4, 1981)

3.28.170 When operating fund becomes insolvent (compliance with RCW 39.56.030).

In the event that an operating fund becomes insolvent, interest bearing warrants will be issued to the clearing fund, or funds, involved in place of a transfer, and will be deposited along with other town cash receipts. (Ord. 537 § 5, 1981)

3.28.180 Interest earned from investment.

Interest earned from investments of these funds shall be credited to the current fund. (Ord. 537 § 6, 1981)

Article V. Unemployment Compensation Reserve Fund**3.28.190 Purpose.**

The purpose of this article is to create a reserve fund to pay future unemployment claims against the town. (Ord. 564 § 1, 1982)

3.28.200 Established.

There is established a fund to be known as the unemployment compensation reserve fund, fund No. 625. (Ord. 564 § 2, 1982)

3.28.210 Revenues.

The revenues to this fund shall be from contributions from other funds of the town. (Ord. 564 § 3, 1982)

3.28.220 Expenses.

The expenses of this fund shall be only for unemployment benefits paid to previous employees by the State Employment Security Department. (Ord. 564 § 4, 1982)

3.28.230 Interest earned from investment.

All interest earned from the investment to moneys from the unemployment compensation reserve fund shall be credited to the unemployment compensation reserve fund. (Ord. 564 § 5, 1982)

**Article VI. Current Capital
Reserve Fund No. 002**

3.28.235 Purpose.

The purpose of this article is to establish a capital reserve for future governmental expenditures. (Ord. 1446 § 1, 2011)

3.28.240 Established.

There is hereby established a fund to be known as the current capital reserve fund No. 002. (Ord. 1446 § 2, 2011)

3.28.245 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the current expense fund No. 001, issuance of bonds, loans, grants or other revenue sources and expenditures will be for financing future capital projects for the current fund.

B. Major Repairs. Revenues for this department will come from a budgeted transfer from the current expense fund No. 001 or other revenue sources and will be used to finance major repairs to current fund assets.

C. Land Acquisition. Revenues for this department will come from a budgeted transfer from the current expense fund No. 001, the sale of current fund real property or other revenue sources and will be used to purchase land benefiting the current fund.

D. Studies. Revenues for this department will come from a budgeted transfer from the current expense fund No. 001, grants, loans or other revenue sources and will be used to fund future studies beneficial to the current fund.

E. Rainy Day. Revenues will come from a budgeted transfer from the current expense fund No. 001 or other revenue sources and will be used for expenditures deemed emergency in nature by the town council.

F. Intermodal Transportation Facility. Revenues will come from a budgeted transfer from the current expense fund No. 001 or other revenue sources and will be used to finance the town's future intermodal transportation plan and implement its recommendations. (Ord. 1446 § 3, 2011)

3.28.250 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1446 § 4, 2011)

Article VII. Advance Travel Expense Fund

3.28.290 Created.

There is created a special revolving fund to be known as the advance travel expense fund. The money in the fund shall be used only for the purpose of making allowances to an elected or appointed official or employee of the town in advance of expenditures incurred by such official or employee for travel expenses for town purposes authorized in advance by the mayor or town administrator. (Ord. 568 § 1, 1982)

**3.28.300 Deposit – Advances by check
from bank – Replenishment by
warrant.**

A. The town council provides for the deposit of \$500.00 in the advance travel expense fund and may otherwise transfer and appropriate money to such fund from any legally available source from time to time as the town council deems necessary.

B. The fund shall be maintained in a bank, to be determined from time to time by the town treasurer, as a checking account and advances to officials and employees shall be by check drawn by the town treasurer against that checking account. The checking account shall be replenished by warrant. (Ord. 568 § 2, 1982)

**Article VIII. Equipment Reserve
Fund No. 525**

3.28.310 Purpose.

The purpose of this article is to establish an internal service fund for equipment purchases. (Ord. 1451 § 1, 2010)

3.28.315 Established.

There is hereby established a fund to be known as the equipment reserve fund No. 525. (Ord. 1451 § 2, 2010)

3.28.320 Funds – Source.

Funding for the equipment reserve fund will come from budgeted transfers from the current expense fund No. 001; the water fund No. 410; the sewer fund No. 420; the refuse fund No. 430; the street fund No. 440; the stormwater fund No. 450; the sale of surplus equipment; and loan proceeds. (Ord. 1451 § 3, 2010)

3.28.330 Funds – Transfers.

Monies transferred into this fund will be credited to each individual equipment item. (Ord. 1451 § 4, 2010)

3.28.340 Expenditures.

Expenditures of this fund will be exclusively for the purchase of equipment or for the down payment on a piece of equipment. (Ord. 1451 § 5, 2010)

3.28.350 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each equipment item based on its share of such investments. (Ord. 1451 § 6, 2010)

**Article IX. 1984 Sewer Bond Redemption
Fund No. 423**

3.28.360 Purpose.

Repealed by Ord. 1133. (Ord. 626 § 1, 1984)

3.28.370 Established.

Repealed by Ord. 1133. (Ord. 626 § 2, 1984)

3.28.380 Revenues.

Repealed by Ord. 1133. (Ord. 626 § 3, 1984)

3.28.390 Expenses.

Repealed by Ord. 1133. (Ord. 626 § 4, 1984)

3.28.395 Interest earned from investment.

Repealed by Ord. 1133. (Ord. 626 § 5, 1984)

Article X. (Reserved)

Article XI. Fire Station Construction Fund

3.28.450 Purpose.

Repealed by Ord. 1133. (Ord. 599 § 1, 1984)

3.28.460 Established.

Repealed by Ord. 1133. (Ord. 599 § 2, 1984)

3.28.470 Revenues.

Repealed by Ord. 1133. (Ord. 599 § 3, 1984)

3.28.480 Expenses.

Repealed by Ord. 1133. (Ord. 599 § 4, 1984)

3.28.490 Interest earned from investment.

Repealed by Ord. 1133. (Ord. 599 § 5, 1984)

**Article XII. Fire Hall and Solid Waste
Incinerator Construction Fund**

3.28.500 Created.

Repealed by Ord. 1133. (Ord. 594 § 12, 1984)

**Article XIII. 1984 Sewer System
Improvement Construction Fund**

3.28.510 Created.

Repealed by Ord. 1133. (Ord. 593 § 10, 1984)

Article XIV. Bond Issuance Funds

**3.28.520 1984 fire/refuse general
obligation redemption fund No.
201 – Purpose.**

The purpose of FHMC 3.28.530 through 3.28.570 is to establish a separate fund for redemption of general obligation bonds issued in 1984 for construction of a fire station and a new refuse incinerator, and the payment of interest on said bonds. (Ord. 596 § 1, 1984)

3.28.530 1984 fire/refuse general obligation redemption fund No. 201 – Established.

There is established a fund to be known as the 1984 fire/refuse general obligation bond redemption fund, fund No. 201. (Ord. 596 § 2, 1984)

3.28.540 1984 fire/refuse general obligation redemption fund No. 201 – Revenues.

The revenues of this fund shall come from the special assessment property taxes levied by a vote of the people in February of 1983 for construction of a fire station and an operating transfer from the refuse operating fund. (Ord. 596 § 3, 1984)

3.28.550 1984 fire/refuse general obligation redemption fund No. 201 – Expenses.

The expenses of this fund shall be solely for redemption of the 1984 general obligation bonds and the interest payable on said bonds. (Ord. 596 § 4, 1984)

3.28.560 1984 fire/refuse general obligation redemption fund No. 201 – Interest earned from investment.

All interest earned from the investment of moneys from the 1984 fire/refuse general obligation bond redemption fund shall be credited to the 1984 fire/refuse general obligation bond redemption fund and shall be used solely for expenses as outlined in FHMC 3.28.540. (Ord. 596 § 5, 1984)

3.28.570 1984 fire/refuse general obligation redemption fund No. 201 – Transfer of fund.

Upon redemption of all bonds and payment of all interest owed, any moneys in this fund shall be transferred to the current expense fund and the refuse operating fund. The current expense fund shall receive 73.5 percent of said moneys and the refuse operating fund shall receive 26.5 percent of said moneys. (Ord. 596 § 6, 1984)

3.28.580 Water revenue bond fund.

Repealed by Ord. 1133. (Ord. 325 § 7, 1962)

3.28.590 Federal shared revenue fund – Created.

Repealed by Ord. 1133. (Ord. 392 § 1, 1973)

3.28.600 Federal shared revenue fund – Deposits – Interest.

Repealed by Ord. 1133. (Ord. 392 § 2, 1973)

3.28.610 Federal shared revenue fund – Moneys expended – Transferred.

Repealed by Ord. 1133. (Ord. 392 § 3, 1973)

3.28.620 Federal shared revenue fund – Moneys expended – Prohibited expenditures.

Repealed by Ord. 1133. (Ord. 392 § 4, 1973)

3.28.630 Federal shared revenue fund – Moneys expended – Priority expenditures.

Repealed by Ord. 1133. (Ord. 392 § 5, 1973)

3.28.640 Federal shared revenue fund – Moneys received – Time period expenditure.

Repealed by Ord. 1133. (Ord. 392 § 6, 1973)

3.28.650 Federal shared revenue fund – Repayment by town of funds not used designated.

Repealed by Ord. 1133. (Ord. 392 § 7, 1973)

3.28.660 Federal shared revenue fund – Town official duties.

Repealed by Ord. 1133. (Ord. 392 § 8, 1973)

3.28.670 Federal shared revenue fund – When Davis-Bacon Act applicable.

Repealed by Ord. 1133. (Ord. 392 § 9, 1973)

3.28.680 Federal shared revenue fund – Salaries paid from fund.

Repealed by Ord. 1133. (Ord. 392 § 10, 1973)

3.28.690 Federal shared revenue fund – Filing with United States Treasury.

Repealed by Ord. 1133. (Ord. 392 § 11, 1973)

3.28.700 Sewer revenue fund account.

The gross revenue shall be set aside into a separate account designated as the “sewer revenue fund account,” and moneys so deposited therein shall be expended and used only in the manner and order as designated in Section 11 of Ordinance 370. (Ord. 370 § 11, 1969; Ord. 364 § 11, 1969)

3.28.710 Water revenue bond fund, 1980.

There is created and established in the office of the town treasurer a special fund to be called “water revenue bond fund, 1980,” which fund shall be drawn upon for the sole purpose of paying the principal of and interest on the bonds and any parity bonds. (Ord. 509 § 9, 1980)

3.28.720 1984 sewer revenue bond anticipation note fund.

Repealed by Ord. 1133. (Ord. 593 § 6, 1984)

3.28.730 Limited tax levy general obligation bond redemption fund, 1984.

Repealed by Ord. 1133. (Ord. 594 § 5, 1984)

Article XV. Public Works Reserve Fund No. 550

3.28.732 Purpose.

The purpose of this article is to establish an internal service fund to save money for future betterments to the public works facilities. (Ord. 1450 § 1, 2010)

3.28.734 Established.

There is hereby established a fund to be known as the public works reserve fund No. 550. (Ord. 1450 § 2, 2010)

3.28.736 Funds – Source.

Funding for the public works reserve fund will come from budgeted transfers from the water fund No. 410; the sewer fund No. 420; the refuse fund No. 430; the street fund No. 440; the stormwater fund No. 450; the sale of public works assets; and loan proceeds. (Ord. 1450 § 3, 2010)

3.28.738 Expenditures.

Expenditures of this fund will be for the betterments, additions, repairs, or expansion of the town’s public works facilities. (Ord. 1450 § 4, 2010)

Article XVI. Sewer Capital Reserve Fund No. 425

3.28.746 Purpose.

The purpose of this article is to establish a capital reserve for future sewer fund expenditures. (Ord. 1448 § 1, 2010)

3.28.748 Established.

There is hereby established a fund to be known as the sewer capital reserve fund No. 425. (Ord. 1448 § 2, 2010)

3.28.750 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the sewer fund No. 420, sewer connection fees, issuance of bonds, loans, grants or other revenue sources and will be use to finance capital projects for the sewer system.

B. Major Repairs. Revenues for this department will come from a budgeted transfer from the sewer fund No. 420 or other revenue sources and will be used to finance major repairs to the town’s sewer system.

C. Land Acquisition. Revenues for this department will come from a budgeted transfer from the sewer fund No. 420, the sale of sewer fund real property or other revenue sources and will be used to purchase land benefiting the sewer system.

D. Studies. Revenues for this department will come from a budgeted transfer from the sewer fund No. 420, grants, loans, or other revenue sources and will be used to fund studies beneficial to the sewer system. (Ord. 1448 § 3, 2010)

3.28.752 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1448 § 4, 2010)

**Article XVII. Treasurer's Trust
Fund No. 633**

3.28.755 Street improvements.

A. Those developers or land owners who exercise the choice of depositing cash in lieu of developing street improvements per FHMC 12.02.080, shall deposit said funds for future development in the treasurer's trust fund.

B. All interest earned from the investment of moneys for street improvements shall be credited to the specific street improvement project.

C. Those funds deposited for street improvements plus accrued interest shall be used for the specific purpose for which the funds were deposited and shall not be commingled to satisfy other project needs. (Ord. 892 § 3, 1992)

3.28.756 Main extension deposits.

A. All moneys received in deposit for the extension of water and/or sewer mains shall be deposited in the treasurer's trust fund.

B. Upon completion of water and/or sewer main extension projects, the deposit will be refunded to the applicant or transferred to the appropriate fund on authorization from the town administrator. (Ord. 892 § 4, 1992)

3.28.757 Tree fund.

A. All moneys received for maintenance of, or addition to, the town tree project will be deposited in the treasurer's trust fund.

B. All expenditures for the maintenance and/or purchase of trees will be approved by the town clerk. (Ord. 892 § 5, 1992)

3.28.758 Bench trust.

A. All moneys received for the purchase of memorial benches will be deposited in the treasurer's trust fund.

B. All expenditures from this trust shall be for the construction of benches and engraving of bench plaques and other related costs. (Ord. 892 § 6, 1992)

3.28.759 Park improvements.

A. All moneys received for the improvement of town parks will be deposited in the treasurer's trust fund.

B. All park improvement expenditures will be authorized by the town administrator or the town treasurer. (Ord. 892 § 7, 1992)

3.28.760 Deposits not limited – Separate accounting.

A. Deposits for safekeeping in the treasurer's trust fund shall not be limited to the above set out in this article.

B. Each individual trust will be accounted for separately. (Ord. 892 §§ 8, 9, 1992)

Article XVIII. Argyle Avenue Loan Redemption Fund No. 202

3.28.764 Established.

Effective January 1, 1987, there shall be established the Argyle Avenue Loan Redemption Fund No. 202. (Ord. 699 § 1, 1986)

3.28.766 Source.

The water operating fund, sewer operating fund and the street fund shall contribute moneys annually in an amount necessary to pay annual principal and interest installments per contract agreement with the state. (Ord. 699 § 2, 1986)

3.28.768 Percentage contributions.

Percentage contributions to said fund shall be in direct proportion to the actual cost attributed to each fund outlined in FHMC 3.28.766. (Ord. 699 § 3, 1986)

3.28.770 Use of interest earnings.

Interest earnings accrued by the Argyle Avenue Loan Redemption Fund No. 202 shall remain in said fund and shall be used annually to reduce the contributions of the participating fund. (Ord. 699 § 4, 1986)

Article XIX. Water Fund

3.28.772 Established.

A. The purpose of this section is to create new departments within the town's water fund.

B. Water Operating Department. This department accounts for the day to day operation of the town's water system. Revenue will come from a percentage of the water base charge, a percentage of the water use charge, reconnection fees and labor and material charges.

C. Water Improvement Department. This department will account for the repairs and betterments of the town's water system. Revenue will come from a percentage of the water base charge, a percentage of the water use charge and water service connection charges.

D. Water System Expansion Department. This department will account for all expansion and additions to the town's water system. Revenue will come from a percentage of the water base charge and a percentage of the water use charge.

E. All investment interest earned will be credited to each department apportionally. (Ord. 616 §§ 4 – 11, 1984)

Article XX. Water Capital Reserve Fund No. 415

3.28.775 Purpose.

The purpose of this article is to establish a capital reserve for future water fund expenditures. (Ord. 1447 § 1, 2010)

3.28.778 Established.

There is hereby established a fund to be known as the water capital reserve fund No. 415. (Ord. 1447 § 2, 2010)

3.28.780 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the water fund No. 410, water connection fees, issuance of bonds, loans, grants or other revenue sources and will be used to finance capital projects for the water system.

B. Major Repairs. Revenues for this department will come from a budgeted transfer from the water fund No. 410 or other revenue sources and will be used to finance major repairs to the town’s water system.

C. Land Acquisition. Revenues for this department will come from a budgeted transfer from the water fund No. 410, the sale of water fund real property or other revenue sources and will be used to purchase land benefitting the water system.

D. Studies. Revenues for this department will come from a budgeted transfer from the water fund No. 410, grants, loans or other revenue sources and will be used to fund studies beneficial to the water system. (Ord. 1447 § 3, 2010)

3.28.785 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department’s share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1447 § 4, 2010)

Article XXI. Fiscal Agency Fund No. 635

3.28.790 Purpose.

The purpose of this section is to establish an agency fund to account for those assets held in trust by the town or of other governmental entities or individuals. (Ord. 893 § 1, 1992)

3.28.800 Established.

There is established a fund to be known as the fiscal agency fund No. 635. (Ord. 893 § 2, 1992)

3.28.810 Fund used for assets held in trust.

This fund will be used to collect, account for, and disperse assets held in trust by the town. (Ord. 893 § 3, 1992)

Article XXII. Deferred Compensation Fund No. 637

3.28.820 Purpose.

The purpose of this section is to establish an agency fund to account for the town’s deferred compensation plan. (Ord. 894 § 1, 1992)

3.28.830 Established.

There is established a fund to be known as the deferred compensation fund No. 637. (Ord. 894 § 2, 1992)

3.28.840 Fund used for accounting.

This fund No. 637 will be used to maintain a detailed accounting record of financial balances and transactions of each town employee enrolled in the town’s deferred compensation plan. (Ord. 894 § 3, 1992)

Article XXIII. Landfill Closure Fund

3.28.850 Purpose.

The purpose of this article is to established a landfill closure fund in accordance with WAC 173-304-467 and 173-351-600. (Ord. 951 § 1, 1994)

3.28.860 Established.

There is hereby established a fund to be known as the landfill closure fund No. 130. (Ord. 951 § 2, 1994)

3.28.870 Deposit of funds.

All moneys received for the purpose of landfill closure will be deposited to this fund. (Ord. 951 § 3, 1994)

3.28.880 Expenditures.

All expenditures made for the purpose of landfill closure will be expended from this fund. (Ord. 951 § 4, 1994)

3.28.890 Funds accumulation.

Funds will continue to be accumulated over the life of the facility to finance all post-closure costs. (Ord. 951 § 5, 1994)

3.28.900 Investment interest.

All interest earned on investments of moneys from the landfill closure fund will be credited to the landfill closure fund. (Ord. 951 § 6, 1994)

**Article XXIV. Special Reserve
Fund No. 125**

3.28.910 Purpose.

The purpose of this article is to establish a special revenue fund to account for specific revenues and their expenditures. (Ord. 1458 § 1, 2011)

3.28.920 Established.

There is hereby established a fund to be known as the special reserve fund No. 125. (Ord. 1458 § 2, 2011)

3.28.930 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Real Estate Excise Tax. This department will be funded by the first one-quarter percent real estate excise tax and second one-quarter percent real estate excise tax imposed on the selling price on each sale of real property within the corporate limits of town. These

funds can only be used to finance those capital projects outlined in the town of Friday Harbor's comprehensive plan.

B. Parking. Revenues for this department will come from donations including those developers that contribute funds "in lieu of parking." These funds will be used to construct parking areas in the town.

C. Harbor Improvements. Revenues for this department will come from state distribution of harbor lease monies and will be used to finance water front related improvements.

D. Hotel/Motel Tax. Revenues for this department will come from the collection of the two percent hotel/motel tax and the additional two percent hotel/motel tax levied by the town. These funds will be spent for paying for tourism promotion and for the acquisition and/or operation of tourism-related facilities. (Ord. 1458 § 3, 2011)

3.28.940 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1458 § 4, 2011)

3.28.950 Transfer.

All funds in the capital cumulative reserve fund No. 150 that has been generated by real estate excise tax, parking donations, harbor leases and the hotel/motel tax will be transferred to the special revenue reserve fund No. 125 and credited to the corresponding department by December 31, 2010. (Ord. 1458 § 5, 2011)

**Article XXV. Storm Water Capital
Reserve Fund No. 455**

3.28.960 Purpose.

The purpose of this article is to establish a capital reserve for future storm water fund expenditures. (Ord. 1459 § 1, 2011)

3.28.970 Established.

There is hereby established a fund to be known as the storm water capital reserve fund No. 455. (Ord. 1459 § 2, 2011)

3.28.980 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the storm water fund No. 450, issuance of bonds, loans, grants or other revenue sources and will be used to finance capital projects for the stormwater utility.

B. Studies. Revenues for this department will come from a budgeted transfer from the storm water fund No. 450, system connection fees, grants, loans or other revenue sources and will be used to fund studies beneficial to the storm water fund. (Ord. 1459 § 3, 2011)

3.28.990 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1459 § 4, 2011)

3.28.1000 Transfer.

All funds in the capital cumulative reserve fund No. 150 belonging to the storm water fund will be transferred to the storm water capital reserve fund No. 455 by December 31, 2010. (Ord. 1459 § 5, 2011)

**Article XXVI. Street Capital
Reserve Fund No. 445**

3.28.1010 Purpose.

The purpose of this article is to establish a capital reserve for future street fund expenditures. (Ord. 1460 § 1, 2011)

3.28.1020 Established.

There is hereby established a fund to be known as the street capital reserve fund No. 445. (Ord. 1460 § 2, 2011)

3.28.1030 Divisions designated.

This fund will be divided into different departments, including but not limited to the following:

A. Capital Projects. This department will be funded by a budgeted transfer from the street fund No. 440, issuance of bonds, loans, grants or other revenue sources and will be used to finance capital projects for the street fund.

B. Studies. Revenues for this department will come from a budgeted transfer from the street fund No. 440, grants, loans or other revenue sources and will be used to fund studies beneficial to the street fund. (Ord. 1460 § 3, 2011)

3.28.1040 Interest earned on investments.

All interest earned on investments of this fund will be apportioned between each department based on each department's share of such investments. The interest will be further apportioned to each purpose under each department. (Ord. 1460 § 4, 2011)

3.28.1050 Transfer.

All funds in the capital cumulative reserve fund No. 150 belonging to the street fund will be transferred to the street capital reserve fund No. 445 by December 31, 2010. (Ord. 1460 § 5, 2011)

Chapter 3.32**UTILITY TAX**

(Repealed by Ord. 1264)

Chapter 3.36**LODGING TAX**

Sections:

- 3.36.010 Basic tax levied.
- 3.36.020 Additional tax levied.
- 3.36.030 Definitions.
- 3.36.040 Deduction from sales tax.
- 3.36.050 Special fund – Use of tax revenue.
- 3.36.060 Administration.
- 3.36.070 Penalty for violation.

3.36.010 Basic tax levied.

Pursuant to RCW 67.28.180, there is hereby levied a special excise tax of two percent on the sale or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, bed and breakfast establishment or trailer camp and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property; provided, that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. (Ord. 1200 § 1, 2002)

3.36.020 Additional tax levied.

Pursuant to RCW 67.28.181, there is hereby levied an additional excise tax of two percent on the sale or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, bed and breakfast establishment or trailer camp and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property; provided, that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. (Ord. 1200 § 2, 2002)

3.36.030 Definitions.

The definitions of “selling price,” “seller,” “buyer,” “consumer,” and all other definitions as are now contained in RCW 82.08.010, and

subsequent amendments thereto, are hereby adopted as the definitions for the taxes levied herein. (Ord. 1200 § 3, 2002)

3.36.040 Deduction from sales tax.

The taxes herein levied shall be in addition to any license fee or any tax imposed or levied under any law or any other ordinance of the town; provided, however, that pursuant to RCW 67.28.1801, the tax levied under FHMC 3.36.010 shall be deducted from the amount of tax the seller would otherwise be required to collect and pay to the Department of Revenue under Chapter 82.08 RCW. (Ord. 1200 § 4, 2002)

3.36.050 Special fund – Use of tax revenue.

There is hereby created a department in the town of Friday Harbor's capital reserve fund to be known as the hotel/motel tax department. All taxes collected herein shall be placed in the capital reserve fund for hotel/motel tax and used solely for the purposes specified in RCW 67.28.1815, as amended from time to time. (Ord. 1200 § 5, 2002)

3.36.060 Administration.

For the purposes of collection and administration of the taxes levied herein, the following provisions shall apply:

A. The Department of Revenue of the State of Washington is hereby designated as the agent of the town of Friday Harbor for purposes of collection and administration.

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

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

D. The Department of Revenue is hereby authorized to prescribe and utilize such special forms and reporting procedures as the Department may deem necessary and appropriate. (Ord. 1200 § 6, 2002)

3.36.070 Penalty for violation.

A. A violation of this chapter shall be and hereby is declared both a public nuisance and a Class 1 civil infraction, as defined in Chapter 1.18 FHMC. Each day that a violation of this chapter exists may be treated as a separate infraction.

B. Except in circumstances where there is a serious and imminent threat to public health or safety, prior to filing a public nuisance abatement action in San Juan County superior court, the town shall attempt to gain compliance by use of the civil infraction procedures set forth in Chapter 1.18 FHMC.

C. The penalty for committing a civil infraction under this chapter shall be as set forth in Chapter 1.18 FHMC. (Ord. 1200 § 7, 2002)

Chapter 3.40

AFFORDABLE HOUSING GRANT PROGRAM

Sections:

- 3.40.010 Grant program established.
- 3.40.020 Definitions.
- 3.40.030 Applications.
- 3.40.040 Approval.
- 3.40.050 Conditions.

3.40.010 Grant program established.

There is hereby established an affordable housing grant program for the administration and distribution of the affordable housing surcharge funds that are received from the county pursuant to the interlocal agreement referenced in Ordinance No. 1361. Said funds shall be deposited in the town treasurer's trust fund and disbursed as grants to qualified entities, in accordance with the procedures set forth in this chapter. (Ord. 1361 § 1, 2008)

3.40.020 Definitions.

A. "Qualified entity" means a nonprofit corporation in good standing under the laws of the state of Washington, whose purpose is to assist in providing home ownership to very low-income or extremely low-income households.

B. "Eligible project" means a project which would qualify as an "eligible housing activity," as that phrase is defined in RCW 36.22.178(2)(a) through (d).

C. "Extremely low-income household" means a household with income at or below 30 percent of the area median income.

D. "Very low-income household" means a household with income at or below 50 percent of the area median income. (Ord. 1361 § 2, 2008)

3.40.030 Applications.

A. Only qualified entities may apply for a grant. Grant applications shall be filed with the town not later than June 1st of each year, using forms provided by the town. No fee shall be charged for the application.

B. The town administrator shall have authority to review the applications to determine whether the applicant is a qualified entity and whether the proposed grant would be used entirely for an eligible project. Applications which meet those criteria shall be forwarded to the town council for their consideration no later than the third Thursday in June of each year. (Ord. 1361 § 3, 2008)

3.40.040 Approval.

A. The town council shall review all applications and approve, conditionally approve, or deny each application. Prior to making any decision on any application, the council may schedule a public hearing on the applications.

B. Priority shall be given to eligible projects that serve extremely low-income households.

C. No applicant shall be deemed to have a right to receive a grant, regardless of the merits of the proposed use. The council shall have complete discretion to deny all applications for any reason it considers proper. (Ord. 1361 § 4, 2008)

3.40.050 Conditions.

The council shall have the right to impose conditions on any approved application in order to assure that the grant funds are used in a manner consistent with the purposes of this chapter. (Ord. 1361 § 5, 2008)