

11/14/2022

11/21/2022

ORDINANCE NO. M-4389

AN ORDINANCE of the City of Vancouver regarding the Real Estate Excise Tax (REET); amending VMC 3.20.040 to update the allocation, prioritization, and use of revenues generated from REET; providing for severability; and setting an effective date of January 1, 2023.

WHEREAS, the City has received consistent community feedback and communication requesting additional investment by the City in trail infrastructure;

WHEREAS, creating trail interconnectivity will allow to connect residents to parks assets and to the river and facilitate car-free mobility within city limits;

WHEREAS, real estate activity has been very robust in the last four years;

WHEREAS, REET allocations and dollar amounts need to be updated for current revenue estimates and for ease of administration;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

**Section 1. Findings.** The City Council hereby adopts and incorporates by reference the above recitals as findings in support of this Ordinance.

**Section 2.** Amendment. Vancouver Municipal Code 3.20.040 entitled “Proceeds-Distribution and Use” as codified by Ordinance M-2318 § 4 and as last amended by Ordinance M-4320 § 1 is hereby amended to read as follows:

VMC 3.20.040 Proceeds- Distribution and Use

(A) The Clark County treasurer shall retain in an appropriate county fund one percent of the proceeds of the taxes imposed in this chapter to defray costs of collection.

(B) (1) The remaining proceeds from the city taxes imposed in this chapter shall be distributed to the city monthly and those taxes imposed under VMC 3.20.010(a) shall be placed by the city director of financial and management services in the capital improvement fund to be used by the city for financing capital projects specified in a capital facilities plan element of the city's comprehensive plan. After January 1, 2024 2023, such revenue shall be ~~used~~ annually allocated and prioritized as follows

- a. ~~Fifty six percent of the revenue~~ First, up to a maximum of \$1,956,000, shall be used for parks and recreation to support debt issued prior to 2008 for construction of the Firstenburg and remodel of the Marshall recreational facilities through the expiration of the bonds.
- b. ~~Nine percent of the revenue~~ Second, after the obligations set forth in subsection (B)(1)(a) of this section are satisfied, up to a maximum of \$172,000 shall be used for neighborhood traffic safety program improvements to city streets consistent with Section 13 of Chapter 49, Laws of Washington, 1982, Extraordinary Session as amended and Section 36 of Chapter 17, Laws of Washington, First Extraordinary Session, 1990, as amended. ~~The maximum shall be adjusted annually beginning on January 1, 2020, by the rate of increase in the Consumer Price~~

~~Index for All Urban Consumers (1982-1984 = 100) in the Seattle-Tacoma-Bellevue area as published by the U.S. Bureau of Labor Statistics.~~

~~e. Twenty percent of the revenue, up to an annual maximum of \$1,000,000, shall be used to support construction of public infrastructure projects that facilitate economic development in strategic reinvestment areas of the city. Projects are required to have a return on investment of less than 10 years and generate new family-wage nonconstruction-related jobs.~~

~~d. The remainder of the revenue, up to a maximum of \$250,000 annually, after the other revenue obligations in subsections (B)(1)(a) through (B)(1)(c) of this section are satisfied, shall be used for parks and recreation capital.~~

c. Third, after the obligations set forth in subsection (B)(1)(a) through (B)(1)(b) of this section are satisfied, up to a maximum of \$250,000 shall be used for Parks and Recreation Capital.

d. Fourth, after the obligations set forth in subsection (B)(1)(a) through (B)(1)(c) of this section are satisfied, up to an annual maximum of \$1,000,000 shall be used to support construction of public infrastructure projects that facilitate economic development. Projects are required to have ROI of less than 10 years and generate new family-wage non-construction-related jobs.

e. Fifth, after the obligations set forth in subsection (B)(1)(a) through (B)(1)(d) of this section are satisfied, up to a maximum of \$1,000,000 annually shall be used for Parks Trails development and construction program.

(2) Allocation amounts set forth in VMC 3.20.040 (B)(1) shall be adjusted annually, beginning on January 1, 2024, consistent with VMC 3.08.100.

(2)(3) Revenues generated from the taxes imposed by VMC 3.20.010(b) shall be deposited into a special revenue fund and used solely for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of streets, roads, highways, sidewalks, street and roadway lighting systems, and traffic signals, as specified in a capital facilities plan element of a comprehensive plan approved by the city council.

C. This section shall not limit the City's existing authority ~~of this city~~ to impose special assessments on property benefited in the manner prescribed by law.

D. Every four (4) years the directors of the parks and transportation departments shall jointly file a report with the city council to be known as a REET expenditure accountability report detailing the amount of revenue collected pursuant to this chapter as well as the manner in which such revenues were expended in the preceding four (4) years. The first REET expenditure accountability report shall be presented to city council on or before March 31, 2007.

**Section 3. Severability.** If any clause, sentence, paragraph, section, or part of this ordinance or the application thereof to any person or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not affect or invalidate the remainder of any parts thereof to any other person or circumstances and to this end the provisions of each clause, sentence, paragraph, section or part of this law are hereby declared to be severable.

**Section 4. Effective Date.** This ordinance shall be effective on January 1, 2023.

Read first time: November 14, 2022

Ayes: Councilmembers Harless, Perez, Fox, Stober, Hansen, Mayor McEnerny-Ogle

Nays: None

Absent: Councilmember Paulsen

Read second time: November 21, 2022

PASSED by the following vote:

Ayes: Councilmembers Harless, Perez, Fox, Paulsen, Stober, Hansen, Mayor McEnerny-Ogle

Nays: None

Absent: None

SIGNED this 21st day of November, 2022.

DocuSigned by:

*Anne McEnerny-Ogle*

6C89D9089EC5424...

Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:

*Natasha Ramras*

BCF6734E40E94AE...

Natasha Ramras, City Clerk

Approved as to form:

DocuSigned by:

*Jonathan Young*

9A7DC2E31F694A2...

Jonathan Young, City Attorney

ORDINANCE - 5

## SUMMARY

### ORDINANCE NO. M-4389

AN ORDINANCE of the City of Vancouver regarding the Real Estate Excise Tax (REET); amending VMC 3.20.040 to update the allocation, prioritization, and use of revenues generated from REET; providing for severability; and setting an effective date of January 1, 2023.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via [www.cityofvancouver.us](http://www.cityofvancouver.us) (Go to City Government and Public Records).