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King County Public Rules

Title

DEBT SERVICE COLLECTION

Document Code No.

FIN 8-2 (PR)

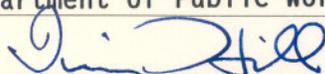
Department/Issuing Agency

Department of Public Works/Surface Water Management Div.

Effective Date

November 30, 1993



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DEBT SERVICE COLLECTION		FIN 8-2 (PR)
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Department of Public Works/Surface Water Management Division		November 30, 1993
Approved		
 10/25/93		

1.0 SUBJECT TITLE: Debt Service Collection

- 1.1 EFFECTIVE DATE: Thirty days after filing with the Clerk of the King County Council.
- 1.2 TYPE OF ACTION: New
- 1.3 KEYWORDS: (1) Debt Service; (2) Surface Water Management (SWM) Service Charge (3) Service Charge (4) Annexations and Incorporations

2.0 PURPOSE:

- 2.1 To establish uniform procedures for collecting the debt service portion of the Surface Water Management service charge in areas that annex or incorporate.
- 2.2 To implement King County Code 9.08.020.

3.0 ORGANIZATIONS AFFECTED:

- 3.1 Individuals, organizations, and local government in areas that annex or incorporate.

4.0 REFERENCES: Customer Account Services Section, Surface Water Management Division, 400 Yesler Way, Suite 400, Seattle, Washington, 98104-2637; telephone (206) 296-6519.

4.1 Legal Basis:

- 4.1.1 Revised Code of Washington (RCW) 36.89.080; RCW 36.89.095; RCW 36.89.100.
- 4.1.2 K.C.C. 9.08, Surface Water Management Program.
- 4.1.3 King County Ordinances 8626 (1988); 7817 (1986); 7590 (1986); 10187 (1991); 11015 (1993).
- 4.1.4 King County Public Rule 90.04.080.

5.0 DEFINITIONS:

- 5.1 "Debt service portion" means that portion of the Surface Water Management service charge that is allocated to debt service on bonds.
- 5.2 "Department" means the Department of Public Works.
- 5.3 "Developed parcel" means any parcel altered from the natural state by the construction, creation or addition of impervious surfaces.
- 5.4 "Division" means the Surface Water Management Division.
- 5.5 "Drainage facility" means the system of collecting, conveying, and storing surface and storm water runoff. Drainage facilities shall include but not be limited to all surface and storm water conveyance and containment facilities including streams, pipelines, channels, ditches, swamps, lakes, facilities, erosion/sedimentation control facilities, and other drainage structures and appurtenances, both natural and constructed.
- 5.6 "Rate category" means the classification in K.C.C. 9.08 given to a parcel in the service area based upon the type of land use on the parcel and the percentage of impervious surface area contained on the parcel.
- 5.7 "Service area" means the area specified in K.C.C. 9.08.10Q.
- 5.8 "Service charge" means the charges for surface and storm water services as specified in K.C.C. 9.08.70.

6.0 POLICIES:

- 6.1 The Department shall continue to charge the debt service portion of the service charge in areas that annex or incorporate in accordance with R.C.W. 36.89.100 and K.C.C. 9.08.20.
- 6.2 The authority for collecting the charges specified in policy 6.1 will be delegated to the Division.
- 6.3 The debt service portion of the service charge for areas annexed or incorporated will not be prorated.
- 6.4 The debt service portion of the service charge will not be discounted for drainage facilities as specified in K.C.C. 9.08.60.
- 6.5 If a parcel is owned and is the personal residence of a person or persons determined by the county assessor as qualified for a low income senior citizen property tax exemption, the parcel will be

exempt from the debt service portion of the service charge as specified in K.C.C. 9.08.080.

- 6.6 If a parcel is owned or leased by a public school district which provides activities which directly benefit the Surface Water Management program, the debt service portion of the service charge will be reduced as specified in K.C.C. 9.08.080.
- 6.7 The total service charge for developed parcels in the unincorporated portion of the Surface Water Management service area will not exceed those specified in K.C.C. 9.08.070.
- 6.8 The Division may adjust the debt service portion of the rates and charges annually to meet the debt service payments.
- 6.9 The Division will adjust the debt service portion of the rates and charges when the bonds are retired or refinanced.

7.0 PROCEDURES:

7.1 Calculation of the debt service portion of the rate for developed parcels

Responsibility

Action

Division 7.1.1 Calculates the debt service portion of the rate for developed parcels based on the debt service for the bonds issued before the date of annexation or incorporation. The calculation for each bond issue will be as follows:

$$(D/R)*T$$

Where:

D = Average annual debt service of the bond issue
R = Projected annual service charge revenue at the time of the bond issue or at the effective date of Washington State Senate Bill 5675 for the 1993 bond issue.

T = The parcel's non-discounted rate at the time of the bond issue

Division 7.1.2 Bills the property owner for the debt service portion of the service charge using the rate calculated in 7.1.1.

7.2 Calculation of the debt service portion of the service charge for roads

Responsibility

Action

Division 7.2.1 Calculates the debt service portion of the annual service charge for state, county, or local roads based on the debt service for the bonds issued before the date of annexation or incorporation. The calculation for each bond issue will be as follows:

$$(D/R)* E$$

Where:

D = Average annual debt service of the bond issue
R = Projected annual service charge revenue at the time of the bond issue or at the effective date of Washington State Senate Bill 5675 for the 1993 bond issue

E = Projected annual service charge for state or county roads in the annexing or incorporating area at the time of the bond issue

Division 7.2.2 Bills the local or state government for the debt service charges as calculated in 7.2.1.

7.3 Adjustments in the rates

Responsibility

Action

Division 7.3.1 Adjusts the debt service portion of the rates and charges in accordance with policies 6.8 and 6.9.

8.0 RESPONSIBILITIES:

8.1 The Division is responsible for calculating the debt service portion of the rates and charges, billing the customers, and collecting the debt service.

8.2 The property owner is responsible for paying the surface water management service charge by the date specified on the statement.