

**Ordinance No. 110170**

WP

AN ORDINANCE relating to the Tax Property Sales Fund, as created by Ordinance 46473, eliminating the Fund, and transferring all remaining balances to the General Fund and Guaranty Fund.

9/24/81 Pass

COMPTROLLER  
FILE NUMBER \_\_\_\_\_

**Council Bill No. 102579**

INTRODUCED: SEP 21 1981	BY: EXECUTIVE REQUEST
REFERRED: SEP 21 1981	TO: FINANCE
REFERRED:	
REFERRED:	
REPORTED: SEP 28 1981	SECOND READING: SEP 28 1981
THIRD READING: SEP 28 1981	SIGNED: SEP 28 1981
PRESENTED TO MAYOR: SEP 28 1981	APPROVED: OCT 07 1981
RETD. TO CITY CLERK: OCT 07 1981	PUBLISHED:
VETOED BY MAYOR:	VETO PUBLISHED:
PASSED OVER VETO:	VETO SUSTAINED:

CBS 8.1.97

OK

*Law Department*

Unanimous Vote

YES.....NO.....

SEE BACK COVER

Ord. 110761 -Auth the sale of certain property in Blk 5 Jackson & Rainier St. Addition to the City of Seattle, acquired as tax title property, to the State of Wa. for highway purposes, & a permit to enter.

- Law -

ORDINANCE 110170

AN ORDINANCE relating to the Tax Property Sales Fund, as created by Ordinance 46473, eliminating the Fund, and transferring all remaining balances to the General Fund and Guaranty Fund.

WHEREAS, the City created the Tax Property Sales Fund to account for transactions related to foreclosure sales due to delinquent LID assessments; and

WHEREAS, the LID Guaranty Fund is used for accounting for all foreclosure actions in LIDs formed after 1927 and the Tax Property Sales Fund no longer serves any useful purpose; and

WHEREAS, it is in the best interests of the City to close the Tax Property Sales Fund and transfer the remaining balances to the General Fund and the Guaranty Fund; Now, Therefore:

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Tax Property Sales Fund, created by Ordinance 46473 on February 11, 1924, is hereby closed and eliminated.

Section 2. All land in the Tax Property Sales Fund, valued at \$41,019.39 at August 31, 1981, shall be transferred to the LID Guaranty Fund. All other remaining balances, consisting of \$447,682.94 in cash and \$60.88 in accounts receivable at August 31, 1981, shall be transferred to the General Fund. The City Comptroller is hereby authorized and directed to make such transfers.

(To be used for all Ordinances except Emergency.)

Section 3. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 28 day of September, 1981,  
and signed by me in open session in authentication of its passage this 28 day of  
September, 1981.  
President of the City Council.

Approved by me this 7th day of October, 1981.  
Charles Peyer Mayor.

Filed by me this 7th day of October, 1981.

Attest: Jim Hill  
City Comptroller and City Clerk.

(SEAL)

Published \_\_\_\_\_  
By Theresa Tindler  
Deputy Clerk.

FUND CONSOLIDATION PROJECT - FACT SHEET

Tax Property Sales Fund (627)

Proposal: To eliminate the Tax Property Sales Fund and transfer the residual equity (fund balance) at August 31, 1981, of \$447,682.94 in cash and \$60.88 in Accounts Receivable to the General Fund, and \$41,019.39 in land to the LID Guaranty Fund.

Authorization: The Tax Property Sales Fund was established by Ordinance 46473 on February 11, 1924.

Purpose and History of Fund: The purpose of the Tax Property Sales Fund was to account for foreclosure transactions related to LID assessment collections. The City enforces the collection of LID assessments through foreclosure action. The costs related to foreclosure actions were paid from the Tax Property Sales Fund. If the property owner redeemed the property, he was responsible for reimbursing these costs to the Fund. If the City acquired the property, it was owned, managed, and eventually sold through the Tax Property Sales Fund.

Proceeds of land sales were used to reimburse the Tax Property Sales Fund for its costs, then to pay the delinquent LID assessments and taxes. Any remaining balance became an asset of the Tax Property Sales Fund. Since many properties were acquired by the Fund during the 1930's, and resold later during better economic times, the Tax Property Sales Fund was able to build up a fund balance. Over the years, substantial sums were transferred from the Tax Property Sales Fund to finance general governmental activities.

In 1981, the City Treasurer's Office performed a study, reconciling the accounts in the fund, and transferring all amounts owed to the proper LID funds. A balance of \$447,682.94 in cash, \$60.88 in accounts receivable, and \$41,019.39 in land remains in the Fund after all obligations have been satisfied.

Elimination of Fund: In 1927 a State law established the LID Guaranty Fund to protect holders of LID bonds, notes and warrants. All LID's established after 1927 came under the protection of the Guaranty Fund. One provision of the law required that foreclosure action for LID's be accounted for in the LID Guaranty Fund. Thus the purpose of the Tax Property Sales Fund was assumed by the LID Guaranty Fund. Since assessment collection related to LID's formed before 1927 has long since been completed, there is no reason to maintain the Tax Property Sales Fund.

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ORDINANCE \_\_\_\_\_

*New  
OTS*  
*remaining  
balances*

AN ORDINANCE relating to the Tax Property Sales Fund, as created by Ordinance 46473, eliminating the Fund, and transferring all residual equity to the General Fund and Guaranty Fund.

WHEREAS, the City created the Tax Property Sales Fund to account for transactions related to foreclosure sales due to delinquent LID assessments; and

WHEREAS, the LID Guaranty Fund is used for accounting for all foreclosure actions in LIDs formed after 1927 and the Tax Property Sales Fund no longer serves any useful purpose; and

WHEREAS, it is in the best interests of the City to close the Tax Property Sales Fund and transfer the residual equity to the General Fund and the Guaranty Fund; Now, Therefore:

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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Section 2. All land in the Tax Property Sales Fund, valued at \$41,019.39 at August 31, 1981, shall be transferred to the LID Guaranty Fund. All other *remaining balances* residual-equity, consisting of \$447,682.94 in cash and \$60.88 in accounts receivable at August 31, 1981, shall be transferred to the General Fund. The City Comptroller is hereby authorized and directed to make such transfers.

Section 3. This Ordinance shall take effect and be in force thirty days from and after its passage and approval by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the City Charter.

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Passed by the City Council the \_\_\_ day of \_\_\_\_\_, 1981,  
and signed by me in open session in authentication of its passage this  
\_\_\_ day of \_\_\_\_\_, 1981.

\_\_\_\_\_  
President of the City Council

Approved by me this \_\_\_ day of \_\_\_\_\_, 1981.

\_\_\_\_\_  
Mayor

Filed by me this \_\_\_ day of \_\_\_\_\_, 1981.

ATTEST: \_\_\_\_\_  
City Comptroller and City Clerk

(Seal)

Published \_\_\_\_\_

BY: \_\_\_\_\_  
Deputy Clerk

Y6/JB188XTP1/2

City of Seattle

Executive Department-Office of Management and Budget

John D. Saven, Director  
Charles Royer, Mayor

September 10, 1981

COPY OF WITHIN RECEIVED

SEP 14 1981

Douglas N. Jewett  
CITY ATTORNEY



3256  
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Clem  
DTS

The Honorable Douglas Jewett  
City Attorney  
City of Seattle

Dear Mr. Jewett:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING  
DEPARTMENT: Comptroller  
SUBJECT: Consolidation of Various City Funds.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation directly to your office for review and drafting.

After reviewing this request and drafting appropriate legislation:

- ( ) File the legislation with the City Clerk for formal introduction to the City Council as an Executive Request.
- (X) Do not file with City Council but return the proposed legislation to OMB for our review. Return to Jean Domergue.

Sincerely,  
Charles Royer  
Mayor

By  
  
John Saven  
Budget Director

JS/ja/pb

Enclosure

cc: Tim Hill, Comptroller

# The City of Seattle--Legislative Department

MR. PRESIDENT:

Your Committee on

**FINANCE**

Date Reported  
and Adopted

SEP 28 1981

to which was referred

C.B. 102579

Relating to the Tax Property Sales Fund, as created by Ordinance 46473, eliminating the Fund, and transferring all remaining balances to the General Fund and Guaranty Fund.

9/24/81 Pass

*Morgan B. Li*

Chairman

Chairman

Committee

Committee