



HOME SPORTS MULTIMEDIA OBITUARIES OPINION COLUMNISTS CALENDAR CLASSIFIEDS WEATHER CONTACT US LOCAL LINKS ABOUT US

## Council to seek court ruling on real estate tax

by *BRIAN GAWLEY*  
*Sequim Gazette*

The city will ask a judge to rule whether real estate excise taxes can be used to fund impact fee rate studies. At its June 8 meeting, the city council unanimously authorized City Attorney Craig Ritchie to seek the "declaratory judgment," which probably will be done in Superior Court either in Clallam or Thurston counties. If the judge rules against the city, then as much as \$135,000 might have to come out of either the hard-pressed general fund or the capital facilities fund meant to finance a new city hall and police station. In a letter to the city, the Sequim Association of Realtors is challenging the city's use of real estate excise taxes to fund studies of impact fee rates for transportation and capital facilities. The studies are necessary before the city can charge fees to developers to help pay for the additional services and the transportation and capital facilities their developments will require. The dispute the judge will be asked to settle is whether those taxes should be used only to build things not to study things. Councilor Susan Lorenzen said she favored using general fund money instead of real estate excise taxes and continuing with the transportation impact fee study despite the impact on the general fund. Mayor Laura Dubois said it's nice to use the real estate excise taxes but if that's a problem, she's all for using the general fund to finance the transportation impact fee study. Administrative Services Director Karen Goschen said using the general fund for the city's various impact fee rate studies would reduce its \$750,000 balance to \$615,000. But there's also money in the capital facilities fund that originally came from the general fund, so it could be used to pay for the rate studies also, she said. The \$7.8 million general fund, down from \$8.1 million in 2008, includes virtually everything associated with city government (except utilities), including the city manager and council, city attorney, police, planning and public works, building inspections and parks. In April, the council agreed to reduce the general fund balance from \$1 million to \$750,000 to avoid cutting city services. Councilor Paul McHugh said the council worked hard for those fund balances and he'd hate to see them used for impact fee rate studies, especially with the drop in new home construction. "We should think hard and fast before we spend \$135,000 to justify higher fees for homes that aren't going to get built," he said. Councilor Ken Hays said the city should seek the declaratory judgment so they know where they stand regarding using the real estate excise taxes. Councilor Erik Erichsen agreed the city should seek the declaratory judgment and consider spending general fund money if the ruling goes against the city. Reach Brian Gawley at [bgawley@sequimgazette.com](mailto:bgawley@sequimgazette.com).

[Home](#) [Sports](#) [Multimedia](#) [Obituaries](#) [Opinion](#) [Columnists](#) [Calendar](#) [Classifieds](#) [Weather](#) [Contact Us](#) [Local Links](#) [About Us](#)