



## Snohomish County Council

**Committee:** Conservation, Sustainability, and Recreation  
**ECAF:** 2023-0193  
**Ordinance:** 23-019

**Analyst:** Nicole Gorle  
**Date:** March 10, 2023

### **Consideration:**

Approve Ordinance 32-019, amending Title 25 – Storm and Surface Water Management of Snohomish County Code.

### **Background:**

Title 25 governs the County's Storm and Surface Water Management (SWM) as it applies to general provisions and service charges. In 2021, ESHB 1410 which impacted RCW 84.56, was signed into law. Because of Title 25 citation to RCW 84.56, changes are proposed to County Code to conform to the new RCW.

Current Code sets one interest rate (12%) and one penalty structure (3% on June 1 and another 8% on December 1) for all property owners who are delinquent on SWM service charges under Title 25. If the property owner remains delinquent the property will go to foreclosure. In some cases, the value of the property is nominal compared to the amount of delinquent charges.

### **Current Proposal:**

#### *Scope:*

The primary purpose of the ordinance is to align SWM's service charge code with RCW 84.56, however there are a couple other changes as well. Below is a summary:

- Currently, SWM service charges interest and penalties are assessed on all properties at the same rate, regardless of any specific characteristics. This ordinance would break it out into two categories:
  - Properties with five (5) or more units will be assessed the existing interest rate of 12% and existing penalty rate of 3% June 1<sup>st</sup> and an addition 8% on December 1<sup>st</sup>.
  - Properties with four (4) or less units will be assessed an interest rate of 9% and may not be assessed a penalty.
- Allows individuals to enter into payment plans with the department to pay for their outstanding debts.
- Authorizes the department director to deem accounts Uncollectible if they determine it is not in the public's best interest to foreclose due to the lack of property value or potential liability to the county. A list Uncollectible Accounts will be submitted to Council annually for review and shall be approved. The list must include the justification as to why each account has been deemed uncollectible.
- Ties payment of service charges to the timeline established in RCW, which ties it to the collection of property taxes.
- Removes the credit for properties that have stormwater discharge that goes into aquatic systems on individual's property.
- Replaces references of Public Works with Conservation and Natural Resources that were missed in the original transition of SWM to DCNR.

- Amends two definitions
  - The definition of what constitutes a Farm under SCC 25.20 is amended by saying it includes other uses as defined by the NPDES permit.<sup>1</sup>
  - Amends the definition of Ordinary Residential Improvements to ensure that individuals under this definition are charge a single fame rate.

*Duration:* Perpetuity

*Fiscal Implications:* In actual dollars, it is unlikely that there is a significant fiscal impact. Accounts that fit the uncollectable category currently aren't being paid and in speaking with the department, there are a hand full that go through a cycle of becoming delinquent, getting foreclosed upon, being sold, and the cycle then repeats. There may be some saving in staff time if approved, as the aforementioned process wouldn't repeat.

## SECTIONAL ANALYSIS

### Section 1

Adopts the recitals as findings of fact.

### Section 2

As it pertains to the rate structure in SCC 25.20, states that what defines a Farm include other uses covered by the NPDES permit.

### Section 3

Clarifies that properties that contain only ordinary residential improvements<sup>2</sup> will be charged the single-family rate.

### Section 4 & 5

Replace references of Public Works and replace with Department of Conservation and Natural Resources.

### Section 6

Removes the credit for properties who in whole or part, has an aquatic system that complies with the detention and water quality regulation standards established in code and the water system is maintained in its natural state by the property owner.

Removes a redundant list of citations.

Removes the language that state credits (with two exceptions) will be renewed every two years in line with procedures developed by the director.

### Section 7

Ties the payment of service charges to the timeline established in RCW 84.56.020.<sup>3</sup>

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<sup>1</sup> Due to a change of practice in the Assessors office (correcting an error in how coding is done), people that run kennels will be coded differently. In practical terms there's a hand full of individuals in the County who would have their service charges increase from \$132 to \$4k to \$5k annually.

<sup>2</sup> Examples: Garages, decks, driveways, serving utility systems.

<sup>3</sup> Service charge fees are collected on property taxes. This RCW citation changed when County property taxes are collected under HB 1410.

### Section 8

Amends the interest and penalty rates by creating two categories for parcels based on the number of units. The below applies to interest rates for delinquent service charges on nonresidential and residential properties.

Category	Interest		Penalties	
	Current Code	Proposed	Current Code	Proposed
5 or more units per taxable parcel	12%	Same (12%)	3% on June 1 and 8% Dec. 1	Same
4 or less units per taxable parcel*		9%		No Penalty

\*Including manufactured/mobile homes

Allows for payment plans to be established and prevents additional penalties from being applied if the ratepayer is complying with the payment plan.

Removes the requirement for the County Treasure to foreclose on a property that has become delinquent if it has been declared an Uncollectible Account. An Uncollectible Account means that the director has determined it is not in the public's best interest to foreclose on the delinquent charges due to the property value or liability assumed by acquiring the property.

February 1<sup>st</sup> of each year the director will submit a list of accounts that have been delinquent for three years and have been deemed Uncollectible Accounts to the County Council. This list will include the justification as to why the property is not in the public's best interest to foreclose. Council shall approve the cancellation of debt for those accounts deemed uncollectible.<sup>4</sup>

### Section 9

Allows the director to enter into payment agreements for delinquent service charges.

**2023 Budget:** No

**Future Budget Impact:** No

**Handling:** .Normal – May 31, 2023

**Approved-as-to-form:** Yes

**Risk Management:** n/a

**Executive Recommendation:** Approve

**Attachment:** None

**Amendments:** Yes, there will be one amendment for technical corrections that is not drafted yet.

**Request:** Move to GLS on March 22<sup>nd</sup> to set time and date for a public hearing on April 12<sup>th</sup> at 10:30 a.m.

<sup>4</sup> Currently have about 2 dozen of these parcels, most of them are driveway type parcels.