1.0 SUBJECT TITLE: Debt Service Collection

2.0 PURPOSE:

2.1 Purpose

This rule establishes uniform procedures for collecting the debt service portion of the Surface Water Management (SWM) fee service charge in areas that annex or incorporate. 2.2 To implement King County Code (K.C.C) 9.08.020.

3.0 ORGANIZATIONS AFFECTED:

Applicability and Audience
This rule applies to 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:

II. Definitions

A. 5.1 "Debt service portion" means that portion of the Surface Water Management service charge that is allocated to debt service on bonds.

B. 5.2 "Department" means the Department of Public Works, Natural Resources and Parks or its successor.

B.C. 5.3 "Developed parcel" means any parcel altered from the natural state by the construction, creation or addition of impervious surfaces.

C.D. 5.4 "Division" means the Water and Land Resources Division or its successor.

D.E. 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, wetlands, closed depressions, infiltration facilities, flow control 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.

E.F. 5.7 "Service area" means the area specified in K.C.C. 9.08.10Q unincorporated King County.

F.G. 5.8 "Service charge/Surface water management fee" means the annual fee charges to the owners of developed parcels in unincorporated King County to pay for surface and storm water management services provided by King County’s Surface Water Management Program as set forth specified in K.C.C. 9.08.070 chapter 9.08.

6.0 POLICIES:

III. Policies

A. 6.1 The Department shall continue to charge the debt service portion of the service charge/SWM fee in areas that annex or incorporate in accordance with R.C.W. 36.89.100 and K.C.C. chapter 9.08.

B. 6.2 The authority for collecting the charges specified in policy 6.1 III.A will be delegated to the Division.

C. 6.3 The debt service portion of the service charge/SWM fee for areas annexed or incorporated will not be prorated.

D. 6.4 The debt service portion of the service charge/SWM fee will not be discounted for drainage facilities as specified in K.C.C. 9.08.070.

E. 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/SWM fee as specified in K.C.C. 9.08.080.

F. 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/SWM fee will be reduced as specified in K.C.C. 9.08.080.

G. 6.7 The total service charge/SWM fee 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.
H. **6.8** The Division may adjust the debt service portion of the rates and charges annually to meet the debt service payments.

I. **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:**

**IV. Implementation Plan**

A. This rule becomes effective 30 days after filing with King County Department of Executive Services, Records and Licensing Service Division, Archives, Records Management and Mail Services Section.

B. The Division is responsible for implementation of this rule. The Division will:

7.1 **CALCULATION OF THE DEBT SERVICE PORTION OF THE RATE FOR DEVELOPED PARCELS:**

Action By: Division

**Action:**

1. **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: 

   \[
   (D/R) \times T \times W
   \]

   where:

   D = Average annual debt service of the bond issue.

   R = Projected annual SWM fee 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.

2. **7.1.2** Bill and collects from the property owner for the debt service portion of the service charge SWM fee using the rate calculated in **IV B1**.

7.2 **CALCULATION OF THE DEBT SERVICE PORTION OF THE SERVICE CHARGE FOR ROADS:**

Action By: Division

**Action:**

3. **7.2.1** Calculates the debt service portion of the annual service charge SWM fee 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: 

   \[
   (D/R) \times E \times W
   \]

   where:

   D = Average annual debt service of the bond issue.

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

4. **7.2.2** Bills and collect from the local or state government for the debt service charges as calculated in **IV B7.2.1**.

7.3 **ADJUSTMENTS IN THE RATES:**
Action By: Division Action:

5. 7.3.1 Adjusts the debt service portion of the rates and charges in accordance with policies 6.8 H and III-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 SWM fee charge by the date specified on the statement.

V. Maintenance

This rule will be maintained by Department of Natural Resources and Parks Water and Land Resource Division or its successor agency.

VI. Consequences for Noncompliance

Interest accrues on delinquent SWM fees that may result in tax lien foreclosure on the parcel as detailed in KCC 9.08.100.

9.0 APPENDICES:

Appendices: None