

WAC 474-02-010 New cities and towns—Standards for borrowing from municipal sales and use tax equalization account. (1) To borrow money from the municipal sales and use tax equalization account a new city or town must furnish a copy of the governing board's resolution establishing the official date of incorporation, declaring the population of the city or town, and stating the amount to be borrowed.

(2) Loans shall be repaid with interest, according to the terms of a loan agreement acceptable to the state treasurer, over a maximum period of three years. Each loan shall bear interest for the duration of the loan at the closing offering yield of the treasury note which matures closest to three years, as quoted by the *Wall Street Journal*, on the day prior to loan disbursement.

(3) Loans shall be repayable by the treasurer withholding moneys from the funds otherwise payable to the borrowing city or town, either from the municipal sales and use tax equalization account or from sales and use tax entitlements otherwise distributable to the borrowing city or town, so that the municipal sales and use tax equalization account is fully reimbursed over the period of the loan. Payments are to be made monthly until the borrowing city or town has paid all of the principal and interest owed under the loan agreement.

[Statutory Authority: RCW 35.02.135. WSR 00-11-084, § 474-02-010, filed 5/16/00, effective 6/16/00; WSR 95-19-029, § 474-02-010, filed 9/11/95, effective 10/12/95.]