

CNCE

CITY OF SUMAS

ORDINANCE NO. 1682

**AN ORDINANCE OF THE CITY OF SUMAS, WASHINGTON,
FOR THE LEVY OF A USE TAX ON THE PRIVATE USE OF NATURAL GAS AND
ADDING CHAPTER 4.83 TO THE SUMAS MUNICIPAL CODE**

WHEREAS, RCW 35A.82.020 and Chapter 35.21 RCW authorize the City to impose a Utility Tax on certain utility service providers including natural gas distributors; and

WHEREAS, RCW 82.14.230 allows cities to levy a use tax on the purchases of brokered natural gas by consumers; and

WHEREAS, after considering the matter, the City Council has determined that the City should levy such a tax; NOW, THEREFORE,

**THE CITY COUNCIL OF THE CITY OF SUMAS, WASHINGTON, DO ORDAIN
AS FOLLOWS:**

Section 1. The following is added as Chapter 4.83 to the Sumas Municipal Code:

Chapter 4.83

NATURAL AND MANUFACTURED GAS USE TAX

4.83.010 Levied.

There is hereby levied and there shall be collected from every person, firm, or corporation, as authorized by Chapter RCW 82.14.230, a use tax for the privilege of using natural gas or manufactured gas within the City of Sumas as a consumer.

4.83.020 Rate.

The rate of the tax levied by Section 4.79.010 shall be an amount equal to the value of the article used by the taxpayer multiplied by one percent (1%). The "value of the article used," does not include any amounts that are paid for the hire or use of a natural gas business in transporting the gas subject to tax under this subsection if those amounts are subject to tax under RCW 35.21.870.

The amount of tax paid pursuant to this chapter for the article used at a single use site by a single user shall be limited to Five Hundred Dollars (\$500.00) per month.

4.83.030 Exemption.

The rate of the tax levied under this chapter shall not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 35.21.870 with respect to the gas for which exemption is sought under this section.

4.83.040 Credit.

There shall be a credit against the tax levied under this chapter in an amount equal to any tax paid by:

A. The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 35.21.870 by another state with respect to the gas for which a credit is sought under this subsection; or

B. The person consuming the gas upon which a use tax similar to the tax imposed by this chapter was paid to another state with respect to the gas for which a credit is sought under this subsection.

4.83.050 Payment.

The use tax levied by this chapter shall be paid by the consumer.

4.83.060 Administration and Collection.

The administration and collection of the tax levied by this chapter shall be pursuant to RCW 82.14.050.

4.83.070 Inspection of Records.

The City consents to the inspection of such records as are necessary to qualify the City for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330.

4.83.080 Contract with State.

The Mayor is authorized to enter into a contract with the Department of Revenue for the administration and collection of this tax.

Section 2. Petition for referendum. A referendum procedure is required pursuant to RCW 35.21.706 for cities first imposing a business and occupation tax. A referendum petition may be filed with the City Clerk within seven (7) days of passage of this ordinance. Within ten (10) days, the City Clerk shall confer with the petitioner concerning the form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the City Attorney. The petitioner shall have thirty (30) days in which to secure the signatures of not less than fifteen (15) percent of the registered voters of the city, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The City Clerk shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the city or at a special election ballot as provided pursuant to RCW 35.17.260(2).

This above procedure shall be the exclusive method of referendum for this ordinance and shall supersede the procedures provided under chapters 35.17 and 35A.11 RCW and all other statutory or other provisions for initiative or referendum that might otherwise apply.

Section 3. Savings Clause. This Ordinance does not affect any tax or license fee owed for a time period prior to the effective date of this Ordinance and does not affect any

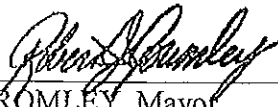
pending or existing litigation and does not operate as an abatement or bar to any action or proceeding pending under or by virtue of an existing code section.

Section 4. Severability Clause. Should any provision of this Ordinance or its application to any person or circumstances be held invalid, the remainder of the Ordinance or its application to other persons or circumstances is not affected.

Section 5. Effective Date. This Ordinance shall take effect July 1, 2016.

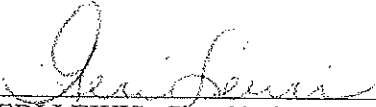
PASSED by the City Council and approved by the Mayor of the City of Sumas, Washington, this 25th day of April 2016.

CITY OF SUMAS, WASHINGTON




ROBERT BROMLEY, Mayor

Attested/Authenticated:



GERI LEWIS, City Clerk

Approved as to Form:



JAMES J. WRIGHT, City
Attorney