

**CenturyLink**  
1600 7th Avenue, Room 1506  
Seattle, Washington 98191  
(206) 345-1568  
Facsimile (206) 343-4040  
Mark.Reynolds3@CenturyLink.com



**Mark S. Reynolds**  
NW Region Vice President  
Public Policy

February 26, 2013

Advice No. 3696T

David Danner  
Executive Director and Secretary  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Dear Mr. Danner:

Qwest Corporation d/b/a CenturyLink QC is forwarding for filing the sheet listed on Attachment A from its WN U-45 Exchange and Network Services tariff.

This filing increases the City of Medina, Washington's Occupational Tax Rate from 3.0% to 4.0%. The Effective Tax Rate for billing will increase from 3.093% to 4.166%. The Legal Effective Date requested by the City of Medina was January 14, 2013.

CenturyLink QC is requesting an effective date of March 28, 2013 on this filing.

I, Mark Reynolds, in compliance with WAC 480-80-123, certify that I have authority to issue tariff revisions on behalf of Qwest Corporation d/b/a CenturyLink QC.

If you have questions concerning this filing please contact me.

Sincerely,

A handwritten signature in black ink that reads "Mark Reynolds". The signature is written in a cursive style with a large, sweeping initial "M".

Mark Reynolds

Attachments

**EXCHANGE AND NETWORK SERVICES**  
**WN U-45**

<b><u>SECTION</u></b>	<b><u>SHEET</u></b>	<b><u>REVISION</u></b>
2	65	1

**CITY OF MEDINA, WASHINGTON  
Ordinance No. 893**

**AN ORDINANCE OF THE CITY OF MEDINA, WASHINGTON,  
AMENDING SECTIONS 5.04.030 OF THE MEDINA MUNICIPAL CODE  
RELATING TO UTILITY TAXES; INCREASING THE UTILITY TAX RATE FROM THREE TO  
FOUR PERCENT; EXTENDING THE UTILITY TAX RATE REDUCTION FROM FOUR PERCENT  
TO ZERO PERCENT, TO JANUARY 31, 2014; PROVIDING FOR SEVERABILITY; AND,  
PROVIDING AN EFFECTIVE DATE OF JANUARY 14, 2013**

WHEREAS, the City of Medina is classified as a non-charter code city under title 35A RCW; and

WHEREAS, RCW 35A.21.160 provides that a code city shall have all of the powers which any city of any class may have; and

WHEREAS, RCW 35.22.280(32) authorizes any city of the first class “[t]o grant licenses for any lawful purpose, to fix by ordinance the amount to be paid therefore, and to provide for revoking the same . . . .”; and

WHEREAS, the Washington Supreme Court in Fleetwood v. Read, 21 Wash. 547, 552-553 (1899) and subsequent decisions has interpreted this language as authorizing licenses for revenue purposes as well as regulation; and

WHEREAS, pursuant to the above authority, code cities are authorized to impose taxes upon gross revenues earned by utility and service providers within their jurisdictional boundaries, and

WHEREAS, the City Council approved Ordinance No. 861, on November 8, 2010, adopting a three percent utility tax rate upon gross revenues derived from telephone and telegraph businesses, electric utilities, natural gas, sewer utility, solid waste and cable service operators, which utility tax is codified at Chapter 5.04 of the Medina Municipal Code; and

WHEREAS, the City Council approved Ordinance No. 879 extending the three percent utility tax rate upon gross revenues, but reduced the three percent annual tax rate to zero on January 31, 2013; and

WHEREAS, the City Council desires to increase the utility tax rate upon gross revenues from three percent to four percent; and

WHEREAS, the City Council desires to amend the City Code relating to the limitation of reducing the annual tax rate to zero on January 31, 2013 by extending the time period for reduction in the tax rate until January 31, 2014; and

WHEREAS, state law provides at RCW 35.21.865 that a change in the rate of tax it imposes on the privilege of conducting an electrical energy, natural gas, or telephone business may not take effect before the expiration of sixty days following the enactment of the ordinance establishing the change; and

WHEREAS, the adoption of an ordinance pertaining to enforcement relates solely to governmental procedures and contains no substantive standards respecting use or modification of the environment and is therefore exempt from the requirements of the State Environmental Policy Act pursuant to WAC 197-11-800(19).

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, DO  
ORDAIN AS FOLLOWS**

**Section 1. Amendment of Section 5.04.030.** Section 5.04.030 of the Medina Municipal Code is hereby amended to read as follows:

~~((From and after 12:01 a.m. on January 8, 2011, t))~~ There is levied upon and there shall be collected from every person engaged in carrying on the following business for hire or for sale of a commodity or a service within or partly within the corporate limits of the city the tax for the privilege of so doing business as hereinafter defined.

- A. Upon every person engaging in or carrying on telephone business there shall be levied a tax equal to ~~((three))~~ four percent of the total gross income derived from the operation of such business in the city. In computing the tax imposed under this subsection, there shall be deducted from total gross income the amounts derived from transaction in interstate or foreign commerce and any amounts upon which the city is prohibited from imposing such tax under the Constitution or laws of the United States or the Constitution or laws of the state of Washington.
- B. Upon every person, firm or corporation engaged alone or in conjunction with another in the business of selling or leasing telephone or telegraph or related communication equipment at retail or to or for the public and thereafter installing, maintaining or repairing the same, a fee equal to ~~((three))~~ four percent of the total gross income from such business in the city; provided further, that this fee or tax shall not be imposed on any business otherwise subject to fee or tax under this chapter nor on the business of selling or installing telephone or telegraph or related communication equipment to telephone or telegraph companies taxed under this chapter.
- C. There is levied a tax on the sale, delivery or distribution of electricity or electrical energy and for the privilege of carrying on said business, such tax to be equal to ~~((three))~~ four percent of the total gross revenue derived from sales of such electricity to ultimate users within the city; provided, however, that there shall not be any tax levied for the installation charges of electrical units.
- D. There is levied a tax on the sale, delivery, distribution or furnishing of natural gas for domestic, business or industrial consumption and for the privilege of carrying on said business, such tax to be equal to ~~((three))~~ four percent of the total gross income from such business in the city; provided, however, that there shall not be any tax levied for installation charges of gas energy units.
- E. There is levied a tax on the business of solid waste collection, transportation, or disposal and for the privilege of carrying on said business, such tax to be equal to ~~((three))~~ four percent of the total gross revenue derived from solid waste collection, transportation, or disposal within the city.
- F. There is levied upon and there shall be collected from every person engaged in the business of providing cable television service for a monetary consideration, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to ~~((three))~~ four percent of the total gross income derived from subscribers' revenues from such cable television service provided in the city. "Cable television services" means the one-way transmission of video programming and associated nonvideo signals to subscribers together with subscriber interaction, if any, which is provided in connection with video programming.
- G. Leasehold Excise Tax. Pursuant to the authorization of RCW 82.29A.040, from and after 12:01 a.m. on January 8, 2011, there is hereby imposed a leasehold excise tax on the act or privilege of occupying or using publicly owned real or personal property within the city, through a leasehold interest as defined in RCW 82.29A.020. The tax shall be paid, collected, and remitted to the Washington State Department of Revenue at the time and in the manner prescribed in RCW 82.29A.050, as it now exists or may hereafter be amended. The rate of the leasehold excise tax imposed shall be four percent of the taxable rent, as defined in RCW 82.29A.020(2)

as it now exists or may hereafter be amended; provided, that the credits specified in RCW 82.29A.120, as it now exists or may hereafter be amended, shall be allowed in determining the tax payable. Leasehold interests exempted by Chapter 82.29A RCW, as it now exists or may hereafter be amended, shall be exempt from the leasehold excise tax imposed pursuant to this section.

The annual tax rate of ~~((three))~~ four percent of the total gross income shall be reduced to zero on January 31, ~~((2013))~~ 2014.

**Section 2. Referendum authorized.** A referendum petition to repeal this ordinance may be filed with the City Clerk within seven days of passage of this ordinance. Within ten days of such filing, the City Clerk shall confer with the petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the designated local official. 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 that 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). Except as otherwise provided herein, all provisions set forth at RCW 35.17.250 through RCW 35.17.360 that are applicable to the character and form for an initiative petition, to the examination and certification thereof, and to the submission to the vote of the people of the ordinance proposed thereby, shall apply to the referendum petition authorized herein and to this ordinance.

**Section 3. Severability.** If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

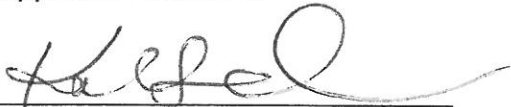
**Section 4. Effective date.** This ordinance shall take effect on January 14, 2013.

**ENACTED BY THE CITY COUNCIL ON THIS 13 DAY OF NOVEMBER, 2012 AND SIGNED IN AUTHENTICATION OF ITS PASSAGE ON THE 13 DAY OF NOVEMBER, 2012.**



Michael Luis, Mayor

Approved as to form:



Kari Sand, City Attorney

Attest:



Rachel Baker, City Clerk

Date Passed: 11-13-2012  
Date Published: 11-16-2012  
Date Effective: 01-14-2013