



ORDINANCE NO. 2016-12

AN ORDINANCE AMENDING TITLE 5 (BUSINESS LICENSES, TAXES AND REGULATIONS), CHAPTER 5.10 (BUSINESS AND OCCUPATION TAX), SECTION 5.10.020 (LEVY – RATE) BY ESTABLISHING A 6% UTILITY EXCISE TAX ON THE GROSS REVENUES DERIVED FROM THE SALE OF ELECTRICITY, WATER SERVICES, TELEPHONE SERVICES, CABLE TELEVISION AND NATURAL GAS WITHIN THE CITY

The La Center City Council adopts the following findings:

WHEREAS, the City of La Center first adopted a Business and Occupation Tax in 1980, codified as Chapter 5.10 of the La Center Municipal Code (LCMC) and has amended that chapter several times since then, most recently in 1997 to reduce the tax to a rate of zero percent; and

WHEREAS, the City is facing a possible budget short-fall in fiscal year 2017 due to the competitive effect of the new Cowlitz Tribal Casino on the City's private, non-tribal cardrooms, with a commensurate drop in gambling tax revenues that the City derives from the cardrooms; and

WHEREAS, the City Council, in an effort to identify and increase replacement revenues as gambling tax revenues decline, has identified the City's Business and Occupation Tax in LCMC Chapter 5.10 as a suitable and equitable source of replacement revenue and proposes to increase the tax rate from zero to 6% of gross revenues derived from sales in the City effective October 1, 2017; and

WHEREAS, the City Council also desires to limit the Business and Occupation Tax to certain utilities, excluding sewer service, consistent with the authority granted to it by RCW 35A.02.020 and 82.02.020, prepared a suitable amendment to LCMC chapter 5.10 and scheduled a public hearing at its regular meetings of October 12, October 26, and November 9, 2016 to consider the proposal; and

WHEREAS, at the public hearings held at its October 12, October 26, and November 9, 2016 regular meetings, the City Council accepted testimony on its proposal to increase the Business and Occupation Tax to 6% on the gross revenues from the sale of all forms of utilities, except sanitary sewer.

NOW THEREFORE, the City Council for the City of La Center ordains as follows:

Section 1. Incorporation of Recitals: The foregoing recitals are adopted and incorporated herein by this reference and made a part hereof as findings in support of the moratorium hereby adopted.

Section 2. Amendment. Title 5 (Business Licenses, Taxes and Regulations), Chapter 5.10 (Business and Occupation Tax), Sections 5.10.020 and 5.10.030 are hereby amended to provide as follows:

5.10.020 Levy – Rate.

There is levied and there shall be collected from every person, firm, corporation and municipal corporation, including any public utility district which operates in the city of La Center, a tax in the amount of six percent (6%) of the gross revenues derived from the sale of electricity, water services, telephone services, cable television, and natural gas, within the city limits of La Center.


5.10.030 Definition.


“Gross revenue” means the gross value proceeding or accruing from the sale of electricity, water services, telephone services, cable television, and natural gas.

Section 3. Delayed Effect and Referendum. Consistent with RCW 35.21.865, this ordinance shall become effective 60 days following adoption by the City Council.

APPROVED and **ADOPTED** this 22nd day of November, 2016, by a majority of the La Center City Council.

AYES: 5
NAYS: 0
ABSTAIN: 0
ABSENT: 0


Greg Thornton, Mayor
City of La Center

ATTEST:

Suzanne Levis, Finance Director/Clerk


APPROVED AS TO FORM:

Daniel Kearns, City Attorney

Exhibit A

Red-Line Format Showing Proposed Change

5.10.020 Levy – Rate.

There is levied and there shall be collected from every person, firm, corporation and municipal corporation, including any public utility district which operates in the city of La Center, a tax in the amount of ~~zero six percent~~ (6%) of the gross revenues derived from the sale of electricity, water ~~and sewer services~~, telephone services, cable television, and natural gas, within the city limits of La Center.

5.10.030 Definition.

"Gross revenue" means the gross value proceeding or accruing from the sale of electricity, water ~~and sewer services~~, telephone services, cable television, and natural gas.