

ORDINANCE NO. ORD-25-1714

**AN ORDINANCE FOR THE CITY OF LYNDEN, WASHINGTON
AMENDING ORDINANCE 24-1693 AND CHAPTER 3.28
OF THE LYNDEN MUNICIPAL CODE**

WHEREAS, the City of Lynden ("City") has adopted regulations pertaining to the collection of Utility Occupation Tax which are contained in Chapter 3.28 of the Lynden Municipal Code (LMC); and

WHEREAS, the LMC 3.28.030, 3.28.035 and 3.28.050 presently require a customer to have an annual license for operating a utility separate from the regular business license process, and

WHEREAS, the City has determined this is no longer administratively necessary, and

WHEREAS, the LMC 3.28.060 presently limits the customer tax base to \$5,000 of gross income for a single customer in any one month that was established in 1985, and

WHEREAS, the City finds it is in the best interest of the citizens of the City to increase the amount revenues received from the Utility Occupation Tax; and

WHEREAS, the LMC 3.28.080 presently requires a monthly remittance of the tax, and

WHEREAS, the City has determined that a minimum threshold for monthly remittance is recommended; and

WHEREAS, the LMC 3.28.084 requires city operated utility to remit tax through the accounts payable process; and

WHEREAS, the City has determined that technology has changed to allow multiple methods of submission; and

WHEREAS, the foregoing recitals are material findings and declarations of the Lynden City Council;

NOW THEREFORE, BE IT ORDAINED as follows:

Section 1: Section 3.28.030 of the Lynden Municipal Code shall be amended as follows. Underlined text indicates insertions and strike-outs indicate deletions.

3.28.030 – Occupation License Required

No person, firm or corporations shall engage in or carry on any business, occupation, pursuit or privilege for which a license fee or tax is imposed by this chapter without first having obtained, and being the holder of, a valid and subsisting license to do business in Lynden, as required by Lynden Municipal

~~Code Chapter 5.02 Business Licenses, so, to be known as a "utility occupation license." Each person, firm or corporation shall promptly apply to the city finance director for a license upon the appropriate form provided by the finance director, giving such information as reasonably necessary for the administration and enforcement of this chapter; and upon acceptance, the city finance director shall thereupon issue such a license to the applicant. A utility occupation license shall be personal and nontransferable.~~

Section 2: Section 3.28.035 of the Lynden Municipal Code is hereby repealed in its entirety:

~~3.28.035 – Occupation License posted.~~

~~All licenses issued pursuant to the provisions of this chapter shall be kept posted by the licensee in a conspicuous place in his principal place of business located in the city, or if no principle place of business is located within the city limits, all licenses issued pursuant to this chapter shall be available for inspection at the city's reasonable request. No persons to whom a license has been issued shall suffer or allow any other persons chargeable with a separate license to operate under or display his license, nor shall such other person operate under or display such license.~~

Section 3: Section 3.28.040 of the Lynden Municipal Code is hereby restated in its entirety:

3.28.040 – Occupations subject to tax – Amount.

There is levied upon, and shall be collected from persons, including the city, on account of certain business activities engaged in or carried on, license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

- A. Upon every person engaged in or carrying on the business of selling or furnishing electric energy, a fee or tax equal to six percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- B. Upon every person engaged in or carrying on a telephone business, excepting cellular telephone service a fee or tax equal to six percent of the total gross income, excluding revenues from interstate toll, derived from such business in the city during the period for which the license fee or tax is due. For the purposes of this subsection, "gross income" shall not include charges which are passed on to the subscriber by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this section, nor competitive telephone service which is of a type which can be provided by persons that

are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made;

- C. There is levied upon and shall be collected from persons engaged in the business or occupation of a cellular phone service provider an amount equal to six percent applied to the balance of gross income after allowance for adjustments and deductions as provided for in this chapter under Section 3.28.075;
- D. Upon every person engaged in or carrying on the business of selling or furnishing natural gas for domestic, business or industrial consumption, a fee or tax equal to six percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- E. Upon every person engaged in or carrying on the business of transmitting television by cable, a fee or tax equal to six percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- F. Upon every person, including the city, engaged in or carrying on the business of operating or conducting a water system for domestic, business or industrial consumption, a fee or tax equal to ten percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- G. Upon every person, including the city, engaged in or carrying on the business of operating or conducting a sewerage system for domestic, business or industrial use, a fee or tax equal to ten percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- H. Upon every person, including the city, engaged in or carrying on the business of operating or conducting a garbage or solid waste refuse collection system for domestic, business or industrial use, other than a solid waste transfer station, a fee or tax equal to six percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- I. Upon every person, including the city, engaged in or carrying on the business of operating or conducting a garbage or solid waste transfer station for domestic, business or industrial use, a fee or tax equal to fourteen percent of the total gross income derived from such business in the city during the period for which the license fee or tax is due;
- J. Upon every person, including the city, engaged in or carrying on the business of operating or conducting a stormwater system for domestic, business or industrial use, a fee or tax equal to ten percent of the total gross

income derived from such business in the city during the period for which the license fee or tax is due.

Section 4: Section 3.28.050 of the Lynden Municipal Code is hereby repealed in its entirety:

~~3.28.050 – License tax year.~~

~~All utility occupation licenses shall be for the tax year for which issued and shall expire at the end of the tax year.~~

Section 5: Section 3.28.060 of the Lynden Municipal Code shall be amended as follows. Underlined text indicates insertions and strike-outs indicate deletions.

3.28.060 – Customer tax base limit

1. Until August 31, 2025, a maximum of the first five thousand dollars of total gross income derived from any one customer account, metered service, or other separately identified billing account in any one month or fraction thereof. On amounts over such five-thousand-dollar figure, the tax shall be one percent of the total gross income derived from such business. Provided, however, that for natural gas sales the rate shall further be reduced by one-half of one percent on sales in any one calendar month of over fifty thousand dollars to any one customer account, metered service or other separately identified billing account.
2. Effective September 1, 2025, a maximum of the first ten thousand dollars of total gross income derived from any one customer account, metered service, or other separately identified billing account in any one month or fraction thereof. On amounts over such ten-thousand-dollar figure, the tax shall be five percent of the total gross income derived from such business.
3. Effective July 1, 2026, a maximum of the first twenty-five thousand dollars of total gross income derived from any one customer account, metered service, or other separately identified billing account in any one month or fraction thereof. On amounts over such twenty-five-thousand-dollar figure, the tax shall be five percent of the total gross income derived from such business.
4. Effective July 1, 2027, a maximum of the first fifty thousand dollars of total gross income derived from any one customer account, metered service, or other separately identified billing account in any one month or fraction thereof. On amounts over such fifty -thousand-dollar figure, the tax shall be five percent of the total gross income derived from such business.

Section 6: Section 3.28.080 of the Lynden Municipal Code shall be amended as follows. Underlined text indicates insertions and strike-outs indicate deletions.

3.28.080 – Remittance required monthly.

Each month constitutes a period; and on or before the last day of the month following the end of such period, the license fee or tax for such period is due.

Utilities with a total annual remittance of less than \$1,000 may opt for a single annual remittance due December 31st each year. Utilities with a total annual remittance of between \$1,000 and \$5,000 may opt for quarterly remittances due March 31st, June 30th, September 30th and December 31st each year. A monthly or quarterly installment as determined at the discretion of the city finance director, shall be required.

Section 7: Section 3.28.084 of the Lynden Municipal Code shall be amended as follows. Underlined text indicates insertions and strike-outs indicate deletions.

3.28.084 – Remittance authorization for public funds..

The remittance due by city-operated utilities ~~utility-occupations~~ subject to this tax shall be paid ~~by means of an accounts payable~~ from the water, stormwater and/or sewer operating fund to the ~~city~~ City of Lynden, and the finance department is hereby authorized and directed to prepare and remit tax ~~submit invoices~~ as set forth above.

Section 8. Per RCW 35.21.706, this ordinance shall be subject to referendum. A referendum petition may be filed with the City Clerk, within seven days of the passage of this ordinance. Within ten days of the filing of a referendum petition, 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 days in which to secure the signatures of not less than fifteen 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 this ordinance. 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).

Section 9. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The council hereby declares that it would have passed this code and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional.

Section 10. This ordinance shall take effect and be in force from and after approved by the City Council and signed by the Mayor, otherwise, as provided by law and five (5) days after the date of its publication.

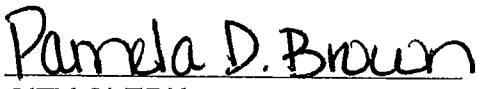
Section 11. Any ordinance or parts of ordinances in conflict herewith are hereby repealed.

Section 12. This ordinance shall be in full force and effect (5) days after its passage, approval and publication as provided by law.

PASSED BY THE CITY COUNCIL BY AN AFFIRMATIVE VOTE, 7 IN FAVOR
0 AGAINST AND SIGNED BY THE MAYOR THIS 21ST DAY OF JULY, 2025.


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

UTILITY OCCUPATION TAX RETURN



CITY OF LYNDEN
FINANCE DEPARTMENT
PO BOX 650
LYNDEN, WA 98264

MONTH
YEAR

FIRM NAME
ADDRESS

The Utility tax shall be due and payable to the City of Lynden in monthly installments, and remittance shall be made to the Finance Director on or before the last day of the succeeding month in which the tax accrued. Refer to Lynden Municipal Code Section 3.28.080 for options for Annual (less than \$1,000 annually) and Quarterly filers (between \$1,000 and \$5,000 annually)

UTILITY OCCUPATION TAX

LINE NO.

1 TOTAL GROSS INCOME DURING ABOVE PERIOD

DEDUCTIONS:

2 TRANSACTIONS IN INTERSTATE COMMERCE

3 BUSINESS WITH THE U.S. GOVERNMENT PAID TO THE U.S. OR STATE OF WA AS EXCISE TAXES ON GROSS INCOME REPORTED ABOVE

4 OTHER AUTHORIZED DEDUCTIONS (LMC 3.28.060)

5 TOTAL AUTHORIZED DEDUCTION (Lines 2+3+4)

6 NET GROSS INCOME (Line 1 - Line 5)

			TAXABLE AMOUNT	RATE	TAX DUE
7	INCOME SUBJECT TO	6% TAX (Line 6)	<input type="text"/>	0.06	<input type="text"/>
8	INCOME SUBJECT TO	5% TAX (As per LMC 3.28.060)	<input type="text"/>	0.05	<input type="text"/>

9 SUBTOTAL (Line 6+7)

PENALTIES

		ACCRUED TAX	RATE	PENALTY DUE
10	Between 1-30 days delinquent from due date	<input type="text"/>	10%	<input type="text"/>
11	Between 31-60 days delinquent from due date	<input type="text"/>	20%	<input type="text"/>
12	Between 61-90 days delinquent from due date	<input type="text"/>	30%	<input type="text"/>

13 TOTAL PENALTY (Lines 10+11+12)

14 TOTAL TAX REMITTANCE ATTACHED (Lines 9+13)

I declare under penalties of perjury that the above return is true, correct, and completed to the best of my knowledge and belief. I understand that our records are subject to audit by the City of Lynden.

Signature: _____ Title: _____ Date: _____

Print Name: _____ Phone Number: _____

Email: _____

ORDINANCE NO. 1714

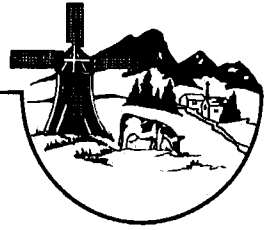
CITY OF LYNDEN

FINANCE DEPARTMENT

300 4th Street

Lynden, WA 98264

360-354-2829



August 13, 2025

Attention: Tax Department

The Lynden City Council has approved Ordinance 1714 affecting Chapter 3.28 of the Lynden Municipal Code which amends the Utility Tax requirements.

Key updates have been made regarding Occupation License Requirements, amounts subject to tax and remittance schedules. We recommend reviewing the ordinance to implement any updates to your procedures that are affected by our new policies.

Enclosed you will find a copy of the Monthly Utility Occupation Tax Return Form and the updated Ordinance No. 1714. This information is also available on our website at www.lyndenwa.org.

If there are any questions, please contact the City of Lynden Finance Department at (360) 354-2829 or by email NavaS@lyndenwa.org.

Sincerely, .

A handwritten signature in black ink, appearing to read 'Suzie Nava', is written over the word 'Sincerely'.

Suzie Nava

Accounting Lead – Accounts Receivable

City of Lynden Finance

NavaS@lyndenwa.org

Enclosures

- Ordinance No 1714
- Utility Occupation Tax Return form.

