

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO UTILITY SERVICES TAX RATES AND AMENDING OLYMPIA MUNICIPAL CODE CHAPTER 5.84 ENTITLED "UTILITY SERVICES TAX"

WHEREAS, the City's 2022 Preliminary Operating Budget was presented to Council on November 1, 2021, and two public hearings were held on November 16, 2021, and November 23, 2021, on the City's 2022 Operating Budget, and;

WHEREAS, the City's 2022 Operating Budget maintains basic service levels and programs and includes expansion of particular service levels and programs, and;

WHEREAS, any city or town in Washington may impose a utility business and occupation tax upon the income of public and private utilities providing service within the city boundaries and, may also levy taxes on revenues generated by a city's own utility services provided both inside and outside the city's boundaries, and;

WHEREAS, the City's 2022 Operating Budget is balanced and includes an increase to the Municipal Utility Tax rate on the City's own utility services, and;

WHEREAS, the City Council, after the hearings and after duly considering all relevant evidence and testimony presented, has determined that in order to maintain current levels of service, including expansion of particular levels of service, an increase in the City's Municipal Utility Tax rate beginning January 1, 2022, is warranted to discharge the expected expenses and obligations of the City in its best interest;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL, ORDAINS AS FOLLOWS:

Section 1. Chapter 5.84.050 of the Olympia Municipal Code is hereby amended to read as follows:

5.84.050 Occupations subject to tax – Amount

From and after the effective date of the ordinance codified in this section, there is levied upon, and shall be collected from, the persons on account of the business activities, license fees in the amounts to be determined by the application of the rates against gross income, as follows:

A. Upon every person engaged in or carrying on a telephone business, or a combined telephone and telegraph business, including revenues from intrastate toll, derived from the operation of such business within the city, a fee or tax equal to nine (9) percent of the total gross income from such business in the city during the person's tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) dollars (\$100.00) per tax year.

B. Upon every person engaged in or carrying on a telegraph business, a fee or tax equal to nine (9) percent of the total gross income from such business in the city during the tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) dollars (\$100.00) per tax year.

C. Upon every person engaged in or carrying on the business of selling or furnishing gas for hire, a fee or tax equal to nine (9) percent of the gross income from such business in the city during the person's tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

D. Upon every person engaged in or carrying on the business of selling or furnishing electric light and power, a fee or tax equal to nine (9) percent of the total gross income from such business in the city during the person's tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

E. Upon every person engaged in or carrying on the business of selling or furnishing cable television, a fee or tax equal to six (6) percent of the total gross income from such business in the city during the person's tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

F. Upon every person conducting or engaged in the business of supplying steam heat or power to the public for hire, a fee or tax equal to one (1) percent of the total gross income from such business in the city during the person's tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

G. Upon every person conducting or engaged in the business of transporting passengers for hire on a regular route, a fee or tax equal to one (1) percent of the total gross income from such business in the city during the tax year for which the license is required; provided, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

H. Upon every person conducting or engaged in the business of selling or furnishing water, collecting or processing sewage, collecting or disposing of solid waste, handling or disposing of storm water runoff, a fee or tax equal to six (6) percent of the total gross income from such business in the city during the tax year for which the license is required; provided, that the tax on City of Olympia owned utilities engaged in the business of collecting or processing sewage, collecting or disposing of solid waste, handling or disposing of stormwater runoff, or furnishing water shall be as set forth below, based on the total gross income from such enterprise in the city during the tax year; provided further, however, that the minimum fee or tax shall not be less than one hundred (~~100~~) (\$100.00) dollars per tax year.

| Enterprise | Rate |
|-------------------|-------------------|
| 1. Sewer | 12.5 % |
| 2. Solid Waste | 12.5 % |
| 3. Stormwater | 12.5 % |
| 4. Water | 12.5 % |

This section shall not apply to:

1. Gross revenue of wholesale utility providers, that is, those which obtain utility services from the city for customers located in the service area of the provider and which own the distribution system and

provide maintenance, collection, meter reading, and/or other services associated with the wholesale provision of utility services;

2. Businesses operated primarily for the purpose of recycling of solid waste.

Section 2. Corrections. The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 4. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 5. Referendum. In accord with RCW 35.21.706, a referendum petition may be filed within seven (7) days of passage of this Ordinance with the City Clerk, as filing officer of the City. The referendum procedure set forth in RCW 35.21.706 shall be the exclusive method for this Ordinance imposing a business and occupation tax or increasing the rate of the tax and shall supersede the procedures under Chapters 35.17 and 35A.11 RCW and all other statutory or charter provisions for initiative or referendum which might otherwise apply.

Section 6. Effective Date. This Ordinance shall take effect after passage and publication, as provided by law, on January 1, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber
CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: