



City Council

Approval of an Ordinance Amending Ordinance No. 5471 Relating to Utility Tax Rates

Agenda Date: 11/5/2018
Agenda Item Number: 4.G
File Number: 18-1058

Type: ordinance **Version:** 1 **Status:** Not Approved

Title

Approval of an Ordinance Amending Ordinance No. 5471 Relating to Utility Tax Rates

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve on first reading an ordinance amending Ordinance No. 5471 relating to utility tax rates to expand uses of the non-voted utility tax approved in 1994 and forward to second reading.

Report

Issue:

Whether to amend Ordinance No. 5471 to expand the uses of the non-voted utility tax approved in 1994.

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753-8499

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Ordinance No. 5471 was passed by the City Council in 1994 and enacted a one percent Non-Voted Utility Tax (NVUT). The ordinance dedicated one-half of the increased proceeds received for park purposes, with the remaining one-half dedicated for general capital facilities purposes within the City's budget.

Staff proposes amending Ordinance No. 5471 to allow flexibility in how the utility taxes currently dedicated for capital facilities purposes can be used. One-half of the 1 percent NVUT will continue to be dedicated for parks purposes. Staff is proposing updating the ordinance to allow the remaining one-half of the 1 percent NVUT dedicated for general capital facilities to be used for operating expenses in exigent financial circumstances.

Neighborhood/Community Interests (if known):

None.

Options:

1. Approve the ordinance amending Ordinance No. 5471 relating to utility tax rates to expand the uses of utility taxes in exigent financial circumstances on first reading and forward to second reading.
2. Approve the ordinance amending Ordinance No. 5471 relating to utility tax rates with modifications on first reading and forward to second reading.
3. Do not approve the ordinance amending Ordinance No. 5471.

Financial Impact:

The existing 1 percent Non-Voted Utility Tax generates approximately \$990,000 annually. During an exigent financial circumstance funding for general capital facilities will be decreased by approximately \$495,000 annually.

Attachments:

Ordinance