

ORDINANCE NO. 4261

AN ORDINANCE OF THE CITY OF KIRKLAND INCREASING THE UTILITY TAX ON THE WATER UTILITY AND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.08.

WHEREAS, the Washington Supreme Court ruled in *Lane vs. Seattle* that water utility costs related to fire protection should be borne by the General Fund and not paid through utility rates; and

WHEREAS, In recognition that this holding is applicable to Kirkland's water utility the City has removed those costs from the water utility rates and will now pay these costs from the General Fund; and

WHEREAS, the City Council has determined that the public interest is best served by increasing the water utility tax by an amount equivalent to the rate reduction to accomplish this; and

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code Section 5.08.050 is hereby amended as follows:

**5.08.050 Utility occupations subject to tax—Amount.**

There are levied upon and shall be collected from every person engaging within this city in utility occupations annual license fees or occupation taxes in the amounts to be determined by the application of the rates against gross income as follows:

(1) Upon every person engaged in or carrying on the business of providing telephone services a fee or tax equal to six percent of the total gross income from such business in the city, including one hundred percent of the total gross revenues derived from toll service, during the tax year for which the license is required;

(2) Upon every person engaged in or carrying on the business of selling or furnishing natural or manufactured gas a fee or tax equal to six percent of the total gross income for such business in the city during the tax year for which the license is required;

(3) Upon every person engaged in or carrying on the business of selling or furnishing electric light and power or electrical energy a fee or tax equal to six percent of the total gross income from such business in the city for the tax year for which the license is required;

(4) Upon every person engaged in or carrying on the business of furnishing ~~water distribution and/or~~ sanitary collection services including both sewage and refuse a fee or tax equal to ten and one-half percent of the total gross income from such business in the city during the tax year for which the license is required;

(5) Upon every person engaged in or carrying on the business of furnishing water collection services a fee or tax equal to thirteen and thirty-eight one-hundredths percent (13.38%) of the total gross income from such business in the city during the tax year for which the license is required;

(56) Upon every person conducting or operating a storm water and/or surface water utility for any customer, including residential and commercial customers, a fee or tax equal to ten and one-half percent of the total gross income from such business in the city during the tax year for which the license is required;

(67) Upon every person engaged in or carrying on the business of providing cable service, a fee or tax equal to six percent of the total gross income from such business in the city during each tax year.

Section 2. This ordinance is effective five days from and after its passage by the Kirkland City Council and publication, as required by law. The tax increase on the business of furnishing water services set forth in Kirkland Municipal Code Section 5.08.050(4) shall take effect on January 1, 2011.

Passed by majority vote of the Kirkland City Council in open meeting this 21st day of September, 2010.


Signed in authentication thereof this 21st day of September, 2010.

  
MAYOR

Attest:

  
City Clerk

Approved as to Form:

  
City Attorney