

ORDINANCE 3995

AN ORDINANCE OF THE CITY OF KIRKLAND INCREASING THE UTILITY TAX ON CERTAIN UTILITIES TO PROVIDE REVENUE FOR CITY SERVICES; AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.08; ESTABLISHING A SPECIAL REFERENDUM PROCEDURE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATES.

WHEREAS, during the 2005-2006 biennial budget process the City Council considered funding requests to address police and fire staffing needs identified in the Police and Fire Strategic Plans; and

WHEREAS, the City has availed itself of all appropriate revenue sources currently authorized; and

WHEREAS, staff presented potential new revenue sources the City Council could use to fund these new public safety positions; and

WHEREAS, the City Council has determined that the public interest is best served by the implementation of a utility tax increase, on certain utilities;

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 ~~six~~ seven 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 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 ~~six~~ seven 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;

(6) 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. The provisions of this ordinance are subject to the referendum procedure as follows:

- a. A referendum petition seeking to repeal this ordinance shall be filed with the City Clerk within seven days of the passage by the City Council of this ordinance or publication thereof, whichever is later.
- b. Within ten days of the filing of the petition, the City Clerk shall confer with the petitioner concerning the form and style of the petition, issue an identification number for the petition, and cause to be written a ballot title for the measure.
- c. The ballot title shall be posed as a question, so that an affirmative answer to the question and an affirmative vote on the measure results in the tax or tax rate increase being imposed, and a negative answer to the question and a negative vote on the measure results in the tax or tax rate increase not being imposed. The petitioner shall be notified of the identification number and ballot title within this ten-day period.
- d. After notification of the identification number and ballot title, the petitioner shall have 30 days in which to secure on petition forms the signatures of not less than 15% of the registered voters of the City, as of the last municipal general election, and to file the signed petitions with the City Clerk.
- e. Each petition form shall contain the ballot title and the full text of this ordinance. The City Clerk shall verify the sufficiency of the signatures on the petitions. If sufficient valid signatures are properly submitted, the City Clerk shall cause the referendum measure to be submitted to the City voters at the next election within the City or at a special election as provided pursuant to RCW 35.17.260(2).

Section 3. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 4. 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 and/or sewer and refuse collection services set forth in Kirkland Municipal Code Section 5.08.050(4) shall take effect on July 1, 2005. The tax increase for operating a storm water and/or surface water utility as set forth in Kirkland Municipal Code Section 5.08.050(5) shall take effect on January 1, 2006.

Passed by majority vote of the Kirkland City Council in open meeting this 7th day of June, 2005.

Signed in authentication thereof this 7th day of June, 2005.

Mary Alice Bauligh
MAYOR

Attest:

Kate Anderson
City Clerk

Approved as to Form:

[Signature]
City Attorney
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