CITY OF MEDINA, WASHINGTON

ORDINANCE NO. 927

AN ORDINANCE OF THE CITY OF MEDINA, WASHINGTON,
AMENDING SECTION 5.04.030 OF THE MEDINA MUNICIPAL CODE
ADOPTING A FOUR PERCENT UTILITY TAX RATE AND EXTENDING THE UTILITY
TAX RATE REDUCTION FROM THREE PERCENT TO ZERO PERCENT TO
JANUARY 31, 2017; AND PROVIDING AN EFFECTIVE DATE
OF JANUARY 13, 2016

WHEREAS, the City of Medina is classified as a non-charter code city under title
35A RCW; and

WHEREAS, RCW 35A.21.160 provides that a code city shall have all of the powers which
any city of any class may have; and

WHEREAS, pursuant to Washington state law, code cities are authorized to impose taxes
upon gross revenues earned by utility and service providers within their jurisdictional boundaries; and

WHEREAS, the City Council approved Ordinance No. 861, on November 8, 2010, adopting
a three percent utility tax rate upon gross revenues derived from telephone and telegraph
businesses, electric utilities, natural gas, sewer utility, solid waste and cable service operators,
which utility tax is codified at Chapter 5.04 of the Medina Municipal Code; and

WHEREAS, the City Council approved Ordinance No. 912 reducing the utility tax rate upon
gross revenues from four percent to three percent, but reduced the three percent annual tax rate to
zero on January 31, 2016; and

WHEREAS, the City Council desires to amend the City Code relating to the utility tax rate
and the limitation of reducing the annual tax rate to zero on January 31, 2016 by increasing the
utility tax rate to four percent and by extending the time period for reduction of the tax rate to zero
until January 31, 2017; and

WHEREAS, state law provides at RCW 35.21.865 that a change in the rate of tax it imposes
on the privilege of conducting an electrical energy, natural gas, or telephone business may not take
effect before the expiration of sixty days following the enactment of the ordinance establishing the
change; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, DO
ORDAIN AS FOLLOWS

Section 1. Amendment of Section 5.04.030. Section 5.04.030 of the Medina Municipal Code is hereby amended to read as follows:

There is levied upon and there shall be collected from every person engaged in carrying on the
following business for hire or for sale of a commodity or a service within or partly within the
corporate limits of the city the tax for the privilege of so doing business as hereinafter defined.
A. Upon every person engaging in or carrying on telephone business there shall be levied a tax
equal to ((three)) four percent of the total gross income derived from the operation of such
business in the city. In computing the tax imposed under this subsection, there shall be
deducted from total gross income the amounts derived from transaction in interstate or foreign commerce and any amounts upon which the city is prohibited from imposing such tax under the Constitution or laws of the United States or the Constitution or laws of the state of Washington.

B. Upon every person, firm or corporation engaged alone or in conjunction with another in the business of selling or leasing telephone or telegraph or related communication equipment at retail or to or for the public and thereafter installing, maintaining or repairing the same, a fee equal to ((three)) four percent of the total gross income from such business in the city; provided further, that this fee or tax shall not be imposed on any business otherwise subject to fee or tax under this chapter nor on the business of selling or installing telephone or telegraph or related communication equipment to telephone or telegraph companies taxed under this chapter.

C. There is levied a tax on the sale, delivery or distribution of electricity or electrical energy and for the privilege of carrying on said business, such tax to be equal to ((three)) four percent of the total gross revenue derived from sales of such electricity to ultimate users within the city; provided, however, that there shall not be any tax levied for the installation charges of electrical units.

D. There is levied a tax on the sale, delivery, distribution or furnishing of natural gas for domestic, business or industrial consumption and for the privilege of carrying on said business, such tax to be equal to ((three)) four percent of the total gross income from such business in the city; provided, however, that there shall not be any tax levied for installation charges of gas energy units, nor on any business that is exempt under RCW 35.21.870.

E. There is levied a tax on the business of solid waste collection, transportation, or disposal and for the privilege of carrying on said business, such tax to be equal to ((three)) four percent of the total gross revenue derived from solid waste collection, transportation, or disposal within the city.

F. There is levied upon and there shall be collected from every person engaged in the business of providing cable television service for a monetary consideration, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to ((three)) four percent of the total gross income derived from subscribers’ revenues from such cable television service provided in the city. “Cable television services” means the one-way transmission of video programming and associated nonvideo signals to subscribers together with subscriber interaction, if any, which is provided in connection with video programming.

G. Leasehold Excise Tax. Pursuant to the authorization of RCW 82.29A.040, from and after 12:01 a.m. on January 8, 2011, there is hereby imposed a leasehold excise tax on the act or privilege of occupying or using publicly owned real or personal property within the city, through a leasehold interest as defined in RCW 82.29A.020. The tax shall be paid, collected, and remitted to the Washington State Department of Revenue at the time and in the manner prescribed in RCW 82.29A.050, as it now exists or may hereafter be amended. The rate of the leasehold excise tax imposed shall be ((three)) four percent of the taxable rent, as defined in RCW 82.29A.020(2) as it now exists or may hereafter be amended; provided, that the credits specified in RCW 82.29A.120, as it now exists or may hereafter be amended, shall be allowed in determining the tax payable. Leasehold interests exempted by Chapter 82.29A RCW, as it now exists or may hereafter be amended, shall be exempt from the leasehold excise tax imposed pursuant to this section.

H. The annual tax rate of ((three)) four percent of the total gross income shall be reduced to zero on January 31, ((2016)) 2017.
Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective date. This ordinance shall take effect on January 13, 2016.


[Signature]
Patrick Boyd, Mayor

Approved as to form:

[Signature]
Kathleen J. Haggard, City Attorney
Porter Foster Rorick LLP

Attest:

[Signature]
Aimee Kellerman, City Clerk