



## Staff Report

April 3, 2023 Council Workshop Meeting

Ordinance No. 22-024 Establishing 2% Utility Tax on City-Owned Utilities Discussion

Presenter: Doug Quinn, City Administrator

Time Estimate: 5 minutes

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**BACKGROUND:** This agenda item is to provide an update to the City Council on Ordinance No. 22-024 which established a 2% utility tax on City-owned utilities.

### SUMMARY:

Ordinance 22-024 established a 2% utility tax on City of Camas water, sewer, solid waste, and stormwater utilities to start January, 2023. This tax is estimated to generate approximately \$1,051,119 over the 2023-2024 biennium or approximately \$500,000 a year. As an example of the impact to a variety of customers, a table below calculates the potential impact:

### 2% Utility Tax Scenarios

City Utilities	Residence 1			Residence 2			Residence 3		
	Bi-monthly	2% Util Tax	Bi-Monthly Total	Bi-monthly	2% Util Tax	Bi-Monthly Total	Bi-monthly	2% Util Tax	Bi-Monthly Total
Water	\$ 144.50	\$ 2.89	\$ 147.39	\$ 74.90	\$ 1.50	\$ 76.40	\$ 316.18	\$ 6.32	\$ 322.50
Sewer	\$ 142.12	\$ 2.84	\$ 144.96	\$ 82.06	\$ 1.64	\$ 83.70	\$ 283.69	\$ 5.67	\$ 289.36
Garbage	\$ 43.10	\$ 0.86	\$ 43.96	\$ 29.30	\$ 0.59	\$ 29.89	\$ 33.90	\$ 0.68	\$ 34.58
Stormwater	\$ 26.32	\$ 0.53	\$ 26.85	\$ 26.32	\$ 0.53	\$ 26.85	\$ 26.32	\$ 0.53	\$ 26.85
<b>Total</b>	\$ 356.04	\$ 7.12	\$ 363.16	\$ 212.58	\$ 4.25	\$ 216.83	\$ 660.09	\$ 13.20	\$ 673.29
<b>Annualized</b>	<b>\$ 2,136.24</b>	<b>\$ 42.72</b>	<b>\$ 2,178.96</b>	<b>\$ 1,275.48</b>	<b>\$ 25.51</b>	<b>\$ 1,300.99</b>	<b>\$ 3,960.54</b>	<b>\$ 79.21</b>	<b>\$ 4,039.75</b>

Ordinance 22-024 also provides for utility tax assistance program in the form of a rebate and a sunset clause to end at the end of the biennium or the formation of a Regional Fire Authority whichever is first.

On January 10, 2023, the special referendum petitions were delivered to the City. Upon review by the City, the petition was denied due to insufficient documentation as prescribed by law. The petitioners filed a lawsuit against the City and Clark County to allow the referendum process to proceed in which they prevailed. The petitions were delivered to Clark County Election Office to review for sufficient valid signatures which would allow the utility tax to be considered by City voters in an election in November. The City subsequently paused on collecting the utility tax until the County verified signatures.

The City was notified by Clark County that the referendum did not have a sufficient number of signatures.

**BENEFITS TO THE COMMUNITY:** This ordinance provides diversification of the City's revenues similar to the City's neighboring jurisdictions, as well as bridge funding the gap between General Fund revenues and new funding driven by increased staffing needs of the CWFD.

**POTENTIAL CHALLENGES:** Utility customers will see higher utility bills but there are current options available to mitigate the impact on low-income households. The other challenge is the sunset provision of the ordinance which makes it difficult to use the utility tax revenues for ongoing expenditures.

**BUDGET IMPACT:** This funding was incorporated into the 2023-2024 Budget for \$1.1 million.

**RECOMMENDATION:** This agenda item is to update the City Council on the current status of the utility tax.