

ORDINANCE NO. 22-024

AN ORDINANCE adding a new Chapter 3.10 of the Camas Municipal Code establishing a utility tax to provide revenue for City services, establishing a special referendum procedure; and an effective date; and providing a sunset of this ordinance.

WHEREAS, the City of Camas has authority as a municipal corporation of the State of Washington to impose a utility business and occupation tax pursuant to RCW 35A.82.020; and

WHEREAS, utility taxes by law may be imposed upon the income generated from public and private utilities including the provision of electricity, natural gas, telephone, cable television, sewer, solid waste, stormwater and water; and

WHEREAS, while electricity, natural gas, and telephone utility taxes are limited to a 6% rate without voter approval, state law prescribes no limit to the maximum utility rate which may be imposed upon sewer, solid waste, stormwater, and water utility services; and

WHEREAS, the City of Camas imposes 3% utility tax on natural gas companies with an exemption for gas revenues generated from city industrial customers; and

WHEREAS, upon due consideration the Council of the City of Camas has determined that municipally operated utilities to include water, sewer, stormwater, and solid waste, with the exception of recycling services, should be subject to a utility tax rate; and

WHEREAS, being mindful of the potential impact of any utility tax the City Council has further determined that a process to allow for the waiver or decrease in such utility tax should be provided for low-income families; and

WHEREAS, pursuant to RCW 35.92.460 a City imposing a utility tax must disclose the tax rate on all billing statements and the City Finance Department shall be directed to abide by such provision; and

WHEREAS, upon adoption of any initial utility tax ordinance state law allows for such ordinance to be subject to referendum allowing for the repeal thereof; and

WHEREAS, the Council of the City of Camas has determined that the public interest is best served by the implementation of a utility tax.

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

Section I

A new Chapter 3.10 of the Camas Municipal Code, entitled "Utility Tax", is hereby added to provide as follows:

3.10.010 Use and Accountability of Tax Proceeds

All revenues collected pursuant to this Ordinance shall be deposited into the General Fund, and shall be used for the funding of City services as the Council shall direct through its biennial budget.

3,10.020 Utility Tax

The tax provided for in this Ordinance shall be known as the "utility tax" against and upon the gross earnings of the water, sewer, solid waste and stormwater utility funds and on all water, sewer, solid water and stormwater utilities at the rates set forth in this chapter. The tax shall, however, be subordinate to any payments required to be made by any utility funds from gross earning into any fund or funds created for the payment of and interest on revenue bonds issued by the City.

3.10.030 Definitions

A. Use of Words and Phrases. As used in this Ordinance, unless the context or subject matter clearly requires otherwise, the words or phrases defined in this section shall have the indicated meanings.

B. "Finance Director" means the Finance Director of the City of Camas, Washington or his or her designee.

C. "Gross earnings" means the consideration, whether money, credits, rights or property

expressed in terms of money, proceeding or accruing by reason of transaction of business and includes gross proceeds of sales, compensation of rendition of services, gains realized from interest, rents, royalties, fees, commissions, dividends and other emoluments, however designated, all without any deduction on account of cost of property sold, materials used, labor, interest, losses, discount and any other expense whatsoever.

D. "Water Service" means any connection to the City water system and shall be further defined by customer class.

E. "Sewer Service" means any connection to the City sewer system and shall be defined by customer class. "

F. "Solid waste collection business" means every person who receives solid waste or recyclable materials, or both, as defined in this section, for transfer, storage, or disposal including but not limited to all collection services, public or private solid waste disposal sites, transfer stations, and similar operations.

"Solid waste" or "wastes" means all putrescible and non-putrescible solid and semisolid wastes including, but not limited to, garbage, rubbish, ashes, industrial wastes, swill, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, and recyclable materials.

G. "Stormwater Operation" means any connection to the City stormwater system and shall be defined by customer class.

3.10.040 Tax Rate

There is levied upon water, sewer, solid waste, stormwater utilities, taxes in the amount to be determined by the application of rates given gross earnings as follows:

	Activity	Tax Rate
A.	Water Operations	2%
B.	Sewer Operations	2%

C. Solid Waste	2%
D. Stormwater	2%

3.10.050 Tax Year

The tax year for purposes of this utility tax shall commence January 1, 2023, and end December 31, 2023, and thereafter commence January 1 and end December 31.

3.10.060 Exceptions and Deductions

In computing, the gross earning tax due under the provisions of this chapter, there shall be deducted from the measure of the tax the following items:

- A. Uncollected accounts, if the books of the utility are on an accrual basis as distinguished from a cash basis.
- B. Amounts received through contemplated or actual condemnation proceedings or in account of any federal, state, or local public works project.
- C. Contributions for or in aid of construction.
- D. Amounts collected as sales tax.

3.10.070 Finance Director Administrative Responsibility

The Finance Director shall have the power to adopt and enforce rules and regulations not inconsistent with this chapter or with the law for the purposes of carrying out the provisions set forth.

3.10.080 Utility Tax Assistance

The City of Camas will provide utility tax relief to low-income households within the City of Camas service area in the form of a rebate check from utility taxes paid to the City. The City will automatically issue a utility tax rebate to approved Utility Assistance Program customers. Customers

who qualify for the program may apply once a year through October 1 through November 15 each year. The Finance Director will establish administrative rules and procedures not inconsistent with the City of Camas Emergency Utility Assistance Program as heretofore adopted.

Section II

Referendum Procedure

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, who shall be designated the person to receive petitions of all types, within seven days of the passage by the City Council of this Ordinance or publication thereof, whichever is later.

B. Within ten days, 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 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 thirty days in which to secure on petition forms the signatures of not less than fifteen percent of the registered voters of the City and to file the signed petitions with the City Clerk.

E. Each petition form shall contain the ballot title and the full text of the measure to be referred. 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 III

Exclusive Procedure

Pursuant to RCW 35.21.706, the referendum procedure set forth in Section II above, shall be the exclusive referendum procedure for the utility tax imposed herein, and shall supersede the procedures, to the extent applicable, under chapters 35.17 and 35A.11 and all other statutory provisions for initiative or referendum which might otherwise apply.

Section IV

Severability

Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person, entity, or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section V

Effective Date

This Ordinance shall take force and be in effect five (5) days from and after its passage, approval, and publication according to law, subject to the provisions of Section II herein in the event of the filing of a referendum.

Section VI

Sunset Provision

This Ordinance shall sunset and no longer be in force or effect at 11:59 pm on December 31, 2024 or on the effective date of any Regional Fire Authority Agreement executed by the City of Camas, whichever shall be earlier.

PASSED BY the Council and APPROVED by the Mayor this 21st day of November, 2022.

SIGNED: _____
Mayor

ATTEST: _____
Clerk

APPROVED as to form:

City Attorney