

# Ordinance No. 00290

[Council meeting minutes of Nov 25 2002](#)

## ORDINANCE NO. 290

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending Chapter 3.52 of the Lakewood Municipal Code and adding new subsections to Section 3.52.050 relating to the amount of tax applicable to utility businesses.

WHEREAS, as with any incorporated municipality, among the responsibilities imposed by statute on the City of Lakewood are those of protecting and insuring the general welfare of its almost 60,000 citizens; and,

WHEREAS, in order to provide such protection to its citizens, the City contracts with Pierce County for police and law enforcement services, which contract and service costs constitute the largest portion of the City's general budget; and,

WHEREAS, due to decreasing revenue from the State the City must choose between cutting police services and finding new ways to generate revenue; and,

WHEREAS, in addition to the public safety needs of the City, the City Council recognizes the need for transportation improvements, particularly where those improvements are necessary to provide for the safety of children walking or riding bicycles to schools and parks in the City; and

WHEREAS, a tax on the businesses providing utilities in the City is a source of revenue currently being used by the cities neighboring Lakewood and by most cities across the state, and available to the City of Lakewood, in accordance with Sections 35A.82.020 and 35.21.870 of the revised Code of Washington (RCW); and,

WHEREAS, in order to provide revenues for the City, increased utility taxes need to be levied pursuant to the City's authority to license for revenue; and,

WHEREAS, in accordance therewith, City of Lakewood Ordinance No. 215 was adopted on September 20, 1999, creating and establishing a utility tax, with its revenues being expressly earmarked for criminal justice and street purposes; and,

WHEREAS, with the revenues accrued from the tax, the City has added 19 new police officers to the Lakewood Police Department, resulting in an identified reduction in the rate of violent crime; and,

WHEREAS, the City has further utilized tax revenues to match transportation grants, resulting in increased transportation benefits to the citizens of Lakewood with a significant cost savings; and,

WHEREAS, so as not to unduly burden those residents of the City who meet criteria as low-income senior citizens or low-income disabled citizens with such a utility business tax, Ordinance No. 215 provided a mechanism whereby relief from the full impacts of such tax could be available to such low-income senior citizens and low-income disabled citizens; and,

WHEREAS, because the police and street needs are still as valid and crucial as they were when the utility was initially adopted, it is appropriate that the City's utility tax rate be reviewed; and,

WHEREAS, pursuant to RCW 35.21.706, it is appropriate to provide for a referendum procedure applicable to this ordinance; and,

WHEREAS, it continues to be a primary goal of the City Council to maintain the lowest tax rates possible while still providing appropriate service levels to the community and such further review would be appropriate upon realizing additional revenues resulting significant economic development projects; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, DO ORDAIN as follows:

Section 1. That Chapter 3.52 of the Lakewood Municipal Code, section 3.52.050, relating to the amount of tax on utility businesses, be and the same is hereby amended to read as follows:

3.52.050 Utility businesses subject to tax -- Amount.

There are levied upon, and shall be collected from everyone, including the City, on account of certain business activities engaged in or carried on in the City, utility business occupation taxes in the amounts to be determined by the application of rates given against gross income as follows:

A. Upon everyone engaged in and carrying on a telegraph business, a tax equal to 6.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due;

B. Upon everyone engaged in or carrying on a competitive telecommunication service or network telecommunication service, a tax equal to 6.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due. In determining gross income from such business, including intrastate toll service, the taxpayer shall include 100 percent of the gross income received from such business in the City;

C. Upon everyone engaged in or carrying on the business of cellular telephone service, a tax equal to 6.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due;

D. Upon everyone engaged in or carrying on the business of selling, brokering or furnishing artificial, natural or mixed gas for domestic, business or industrial consumption, a tax equal to 5.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due;

E. Upon everyone engaged in or carrying on the business of selling or furnishing electric energy, a tax equal to 5.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due, PROVIDED, this tax shall not apply to any entity engaged in or carrying on the business of selling or furnishing electric energy on which there is already imposed a tax on the business of selling or furnishing electric energy levied by and paid to any other municipality of the State of Washington organized under the provisions of Title 35 RCW or Title 35A RCW;

F. Upon everyone engaged in or carrying on the business of cable communications, a fee or tax equal to 6.0 percent of the total gross income, not including the amount of the tax, from gross subscriber revenues in the City during the period for which the fee or tax is due. For purposes of this Chapter, "gross subscriber revenues" means and includes those revenues derived from the supplying of subscription services, that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits including the transmission of broadcast signals and access and origination channels and per-program or per-channel charges; it does not include leased channel revenue, advertising revenue, or any other income derived from the system:

G. Upon the City with respect to its conducting, maintaining and/or operating any municipal storm water management program or utility that it operates, or may operate in the future, as a public utility a tax of 6.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due.

H. Upon the City with respect to its conducting, maintaining and/or operating any municipal garbage collection service or utility that it operates, or may operate in the future as a public utility, a tax of 6.0 percent of the total gross income, not including the amount of the tax, from such business in the City during the period for which the tax is due.

Section 2. Severability. If any provision of this Chapter or the application thereof to any person or circumstance is held to be invalid, the remainder of such Chapter and its provisions and regulations or the application thereof to other persons or circumstances shall not be affected.

Section 3. That this Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary, as provided by law.

ADOPTED by the City Council this 25<sup>th</sup> day of November, 2002.

CITY OF LAKEWOOD

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Bill Harrison, Mayor

Attest:

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Alice M. Bush, CMC, City Clerk

Approved as to Form:

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Heidi Ann Wachter, City Attorney