

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5919-A

AN ORDINANCE relating to the utility occupation tax of the City of Bellevue; amending Section 4.10.030 of the Bellevue City Code; providing for referendum as set forth in Chapter 1.12 of the Bellevue City Code; providing for severability; and establishing an effective date.

WHEREAS, the Washington State Supreme Court held in *Lane v. City of Seattle*, 164 Wn.2d 875, 194 P.3d 977 (2008), that fire flow capacity charges are a governmental function and that such costs must be paid from the City's General Government Fund; and

WHEREAS, the City of Bellevue's existing water rate structure includes the recovery of fire capacity flow costs;

WHEREAS, the City Council intends to remove the costs associated with fire flow capacity from water utility rates and transfer the costs to the City's General Government Fund; and

WHEREAS, because of the financial impact to the City's General Government Fund for costs associated with fire flow capacity, the basic City service levels would be greatly reduced without increased sources of revenue to address the new costs to the General Government Fund; and

WHEREAS, the City Council has determined that the public interest is best served by the City of Bellevue increasing its utility water tax on the Bellevue Utility Water Department (as a provider of utility water services); now, therefore,

CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Section 4.10.030 of the Bellevue City Code is hereby amended to read as follows:

4.10.030 Utility Occupation Activities Subject to Tax.

Upon every person engaging within this City in the following activities; as to such persons, the amount of the tax due with respect to such business in the City shall be equal to the gross income of the business, multiplied by the following applicable rates:

	<u>Activity</u>	<u>Tax Rate</u>
A.	Gas Distribution Business	5.0%
B.	Water Distribution Business	10.4%
C.	Light and Power Business	5.0%
D.	Sewerage System Business	5.0%
E.	Cable Television Service	4.8%
F.	Telephone Business	6.0%
G.	Cellular Telephone Service	6.0%
H.	Solid Waste Collection Business	4.5%

Section 2. Referendum Procedure. The provisions of this ordinance are subject to the referendum procedures as set forth in Chapter 1.12 of the Bellevue City Code:

Section 3. Severability. 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 pre-empted 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 shall be published in the official newspaper of the City, and shall take effect and be in full force thirty (30) days after the date of publication.

Passed by the City Council this 7th day of December, 2009
and signed in authentication of its passage this 7th day of December,
2009.

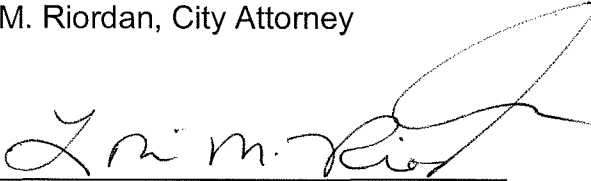
(SEAL)



Grant S. Degginger, Mayor

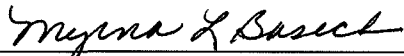
Approved as to form:

Lori M. Riordan, City Attorney



~~Mary Kate Berens, Deputy City Attorney~~

Attest:



Myrna L. Basich, City Clerk

Published Dec 10, 2009