

ORDINANCE NO. 2008

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAYTON, WASHINGTON, RELATING TO TAXATION OF UTILITY PROVIDERS; AMENDING 2-34.030 SECTIONS E AND F OF THE DAYTON MUNICIPAL CODE, CHANGING THE 12% UTILITY TAX TO 15% UTILITY TAX ON THE GROSS INCOME OF THOSE ENGAGED IN THE DISTRIBUTION OF WATER AND WASTEWATER OPERATIONS; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, the cost of providing public safety, parks, streets and other city services have continued to increase, and additional revenue is needed by the City to perform these and other essential services; and

WHEREAS, with the recent increase in law enforcement, dispatch, and municipal court service fees, the City Council has determined there is projected to be a deficit balance in the Current Expense Fund by the close of 2023; and

WHEREAS, the basic City service levels funded through the Current Expense Fund could suffer a reduction without a new source of revenue; and

WHEREAS, a modest increase in the rate of tax imposed on the City's water and sewer utilities measured by gross earnings is expected to generate additional revenue to help maintain current levels of City services within the Current Expense Fund;

WHEREAS, the City Council further desires to deposit all collections of utility taxes from the water and sewer gross receipts into the Current Expense Fund that shall be used for law enforcement, dispatch and municipal court services;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAYTON, WASHINGTON, DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Dayton Municipal Code section 2-34.030, Businesses subject to tax, which currently reads as follows:

2-34.030. - Businesses subject to tax.

There is hereby levied upon all persons engaged in business activities taxable under this chapter a tax in the amounts to be determined by the application of the respective rates against gross income of such taxpayer. Taxpayers engaged in or carrying on the business shall be charged with collection of the tax as a condition of doing business, in the amount described below:

- A. Upon every person engaged in or carrying on a telephone business (including cellular telephone service and pager service), as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income, including revenues for intrastate toll, derived from the operation of such business within the city.
- B. Upon every person engaged in or carrying on a telegraph business, as defined in RCW 82.16.010, a tax equal to six percent of the total gross income from such business in the city.
- C. Upon every person engaged in a gas distribution business, as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from the operation of such business within the city.
- D. Upon every person engaged in a light or power business, as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from such business within the city.
- E. Upon every person engaged in water distribution business, a tax equal to 12 percent of the total gross income generated from monthly base rate charges derived from the operation of such business within the city's service area.
- F. Upon every person engaged in sewerage system business, a tax equal to 12 percent of the total gross income generated from monthly base rate charges derived from the operation of such business within the city's service area.
- G. Upon any cable television business, a tax equal to four percent of the gross operating revenues derived from the operation of such business within the City of Dayton. To the extent permitted by applicable federal and state law, any telecommunications services provided by a cable operator (as defined in 47 U.S.C. Section 522(5)) or other persons over cable television facilities owned or controlled by a cable operator shall be taxable hereunder.

Is hereby amended to read as follows:

2-34.030. - Businesses subject to tax.

There is hereby levied upon all persons engaged in business activities taxable under this chapter a tax in the amounts to be determined by the application of the respective rates against gross income of such taxpayer. Taxpayers engaged in or carrying on the business shall be charged with collection of the tax as a condition of doing business, in the amount described below:

- A. Upon every person engaged in or carrying on a telephone business (including cellular telephone service and pager service), as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the

total gross income, including revenues for intrastate toll, derived from the operation of such business within the city.

- B. Upon every person engaged in or carrying on a telegraph business, as defined in RCW 82.16.010, a tax equal to six percent of the total gross income from such business in the city.
- C. Upon every person engaged in a gas distribution business, as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from the operation of such business within the city.
- D. Upon every person engaged in a light or power business, as defined in RCW 82.16.010, as said statute presently exists or is hereafter amended, a tax equal to six percent of the total gross income derived from such business within the city.
- E. Upon every person engaged in water distribution business, a tax equal to fifteen percent (15%) of the total gross income generated from monthly base rate charges derived from the operation of such business within the city's service area.
- F. Upon every person engaged in sewerage system business, a tax equal to fifteen percent (15%) of the total gross income generated from monthly base rate charges derived from the operation of such business within the city's service area.
- G. Upon any cable television business, a tax equal to four percent of the gross operating revenues derived from the operation of such business within the City of Dayton. To the extent permitted by applicable federal and state law, any telecommunications services provided by a cable operator (as defined in 47 U.S.C. Section 522(5)) or other persons over cable television facilities owned or controlled by a cable operator shall be taxable hereunder.

Section 2. Except as set forth herein, all other provisions of Ch. 2-14 DMC shall remain unchanged.

Section 3. This ordinance shall be in full force and effect five days after its passage and publication as required by law.

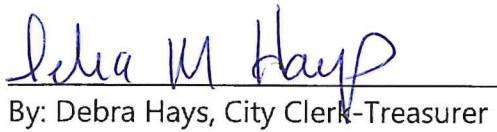
Summary Publication. A summary thereof of this Ordinance consisting of its title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF
DAYTON, WASHINGTON, AT A REGULAR MEETING THIS 21 DAY OF
November, 2023.

City of Dayton


By: Zac Weatherford, Mayor

Attested/Authenticated By:


By: Debra Hays, City Clerk-Treasurer

Approved as to form:
Menke Jackson Beyer, LLP


By: Quinn Plant, City Attorney

**ORDINANCE SUMMARY BY TITLE ONLY FOR PUBLICATION PURPOSES ORDINANCE NUMBER
2008**

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The full text Ordinance No. 2008 adopted the 21st day of November 2023, is available for examination at the Dayton City Hall, 111 South 1st Street, Dayton, WA during normal business hours, Monday-Friday 7:00 a.m. to 4:00 p.m. Full text of the Ordinance shall be mailed upon request.

By:/s/ Zac Weatherford, Mayor

Attest: /s/ Debra Hays, City Clerk/Treasurer

Approved as to form: /s/ Quinn Plant, City Attorney

Published:

By: The Times, December 21, 2023