AN ORDINANCE of the City Council of the City of Kent, Washington, amending Chapter 3.18 relating to utility taxes on telephone, gas, electric, garbage, water, sewer and drainage utilities by adding a new section providing for an interim utility tax increase to expand youth and teen programs, and to dedicate funds for such program expansion, and further to amend the 1994 Budget to reflect the increased revenue and expenditures.

WHEREAS, the City Council, during its June 21, 1994 meeting, authorized expansion of youth and teen programming within neighborhoods and apartments on East Hill, West Hill and the Valley; and

WHEREAS, in order to fund this expansion of youth and teen programs, the Council, at said meeting, authorized that the City's utility taxes be increased by three-tenths of one percent (0.3%), and that the revenues be dedicated to fund youth and teen programs and separately accounted for in the City's budget; and

WHEREAS, the Council further authorized that the 1994 budget be adjusted to reflect the proposed increased revenues and expenditures as a result of the increase in utility taxes; and
WHEREAS, this utility tax increase is to sunset on December 31, 1996 unless reauthorized and continued by the City Council; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Kent City Code Chapter 3.18 entitled "Utility Tax on Telephone, Gas, Electric, Garbage, Water, Sewer and Drainage Utilities" is hereby amended by adding a new Section, 3.18.025, to read as follows:

Sec. 3.18.025. Certain utilities subject to interim tax.

Until December 31, 1996, the provisions of this section, and not Section 3.18.020, shall be in full force and effect as follows:

A. In addition to the other business and license fees required by the ordinances of the city, there is hereby levied upon all persons (including the city) engaged in certain business activities a utilities tax to be assessed and collected as follows:

1. Upon every person engaging in or carrying on any telephone business within the city, an annual tax equal to three and eight-tenths (3.8) percent of the total gross operating revenues, including revenues from intrastate toll, derived from
the operation of such business within the city. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

2. Upon every person engaging in or carrying on a business of selling, furnishing, distributing, or producing gaseous gas for commercial or domestic use or purposes, a fee or tax equal to three and eight-tenths (3.8) percent of the total gross income from such business in the city during the tax year for which the license is required.

3. Upon every person engaged in or carrying on the business of selling, furnishing, or distributing electricity for light and power, a fee or tax equal to three and eight-tenths (3.8) percent of the total gross income from such business in the city during the tax year for which a license is required.

4. Upon every person engaging in or carrying on a business providing garbage service, a tax equal to six and eight-tenths (6.8) percent of the total gross income from such business in the city during the tax year for which the license is required.

5. Upon every person (including the city) engaging in or carrying on the business of selling, furnishing or distributing water, sewer or drainage services, a tax equal to
three and eight-tenths (3.8) percent of the total gross income from such business in the city during the tax year.

B. In computing the tax provided in subsection A., the taxpayer may deduct from gross income, the following items:
   1. The actual amount of credit losses and uncollectables sustained by the taxpayer.
   2. Amounts derived from the transactions in interstate and foreign commerce which the city is prohibited from taxing under the laws and constitution of the United States.

C. The provisions of this subsection, consisting of an interim tax rate, shall be and remain in effect, in lieu of the provisions of subsection 3.18.020 above, until 11:59 p.m., December 31, 1996, after which time this subsection shall have no force or effect and the provisions of Section 3.18.020 shall be in full force and effect.

D. All references in this chapter and the City code or any City ordinance to Section 3.18.020 shall mean Section 3.18.025 until the provisions of Section 3.18.025 sunset on December 31, 1996 as provided herein.

SECTION 2. City Administration is hereby authorized to establish a separate fund or account for the increased revenues as a result of the three-tenths of one percent (0.3%) increase in tax established by this ordinance to be used solely for the purpose of expanding youth and teen programs as directed by the
City Council at its June 21, 1994 meeting. These increased revenues shall be dedicated to fund youth and teen programs and be separately accounted for in the City's budget and further the 1994 budget shall be adjusted to reflect the proposed increased revenue and expenditures.

SECTION 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

SECTION 4. Effective Date. This ordinance shall take effect and be in force thirty (30) days from and after its passage, approval and publication as provided by law.

JTM WHITE, MAYOR

ATTEST:

BRENDA JACOBER, CITY CLERK
I hereby certify that this is a true copy of Ordinance No. 31/94, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBÉR, CITY CLERK