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ORDINANCE NO. 638

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING THE APPLICATION OF THE EXEMPTION FROM UTILITY TAX FOR UTILITIES IN GOOD STANDING; AND AMENDING SECTION 3.32.030 OF THE SHORELINE MUNICIPAL CODE

WHEREAS, Shoreline Ordinance No. 634 added an exemption from utility tax for water distribution and sewer operations utilities with an existing franchise on May 21, 2012 to preserve the financial expectations for those utilities with executed contracts on the effective date of the ordinance; and

WHEREAS, negotiating a replacement franchise with the Shoreline Water District provided by May 21, 2012 may not be possible and the exemption should be amended to extend to all water and sewer Utilities in Good Standing unless specifically addressed in the utility's franchise ordinance; and

WHEREAS, this action is exempt from SEPA as an assessment of taxes under WAC 197-11-800(14)(b); now therefore,

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Shoreline Municipal Code section 3.32.030 *Utility occupation activities subject to taxation* is amended to read as follows:

.030.

A. Upon every person within the 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:

Activity	Tax Rate
A. Gas Distribution Business	6%
B. Telephone Business	6%
C. Cellular Telephone Service	6%
D. Cable Television Service	6%
E. Solid Waste Collection Business	6%
F. Water Distribution Operation	6%
G. Sewerage Operation	6%
H. Paging Service	6%

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B. Tax Credits, Exemptions. Water Distribution Operations and Sewerage Operations in good standing with a franchise or right-of-way use agreement ~~pursuant~~ issued under ~~to~~ chapter 12.25 SMC ~~executed prior to May 21, 2012~~ shall be exempt from taxation under this section for the term of the franchise or use agreement unless applicability of the utility tax or tax credit is specifically addressed in a franchise or use agreements entered after May 21, 2012. ~~Thereafter, a credit for franchise fees or right-of-way use agreement payments executed pursuant to chapter 12.25 SMC will be applied as a credit to the tax assessed under this section.~~

Section 5. Publication and Effective Date. This ordinance shall take effect five days after publication of the title of this ordinance as an approved summary of the ordinance in the official newspaper of the City.

PASSED BY THE CITY COUNCIL ON MAY 21, 2012.

Keith A. McGlashan, Mayor

ATTEST:

Scott Passey
City Clerk

APPROVED AS TO FORM:

Ian Sievers
City Attorney

Date of publication: May 24, 2012
Effective date: May 29, 2012