ORDINANCE NO. 375

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, ADOPTING A SIX MONTH REDUCTION IN THE CITY GAMBLING TAX ON SOCIAL CARD ROOMS TO 10% OF GROSS RECEIPTS; AMENDING SHORELINE MUNICIPAL CODE 3.30.020; AND PROVIDING A SUNSET OF THE TAX REDUCTION.

WHEREAS, the City Council received requests from Shoreline card room operators during preparation of the 2005 budget asking for a reduction in the City’s gambling tax; and

WHEREAS, City staff will conduct a study to investigate the operators’ claim that the tax rate of 11% threatens the continued profitability of operating licensed card rooms; and

WHEREAS, the Council finds there is a sufficient showing that the current tax rate may result in unprofitable operations and the gambling tax rate should be reduced pending the results of an analysis of profitability of current casino business operations in the City; NOW, THEREFORE,

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

Section 1. Amendment in effect from April 1, 2005 to September 30, 2005. Shoreline Municipal Code section 3.30.020 is amended as follows for the period April 1, 2005 to September 30, 2005:

3.30.020  Imposed.

Pursuant to RCW 9.46.110 as the same now exists or may hereafter be amended, there is levied upon all persons, associations or organizations a tax on all gambling activities occurring within the city as permitted by state law at the following rates:

... [A-C unchanged]

D. All social card game rooms licensed under the provisions of RCW 9.46.030(1) and (4) at a rate equal to 10 percent of the annual gross receipts exceeding $10,000.

Section 2. Amendment in effect after September 30, 2005. Shoreline Municipal Code section 3.30.020 is amended as follows effective October 1, 2005:

3.31.020  Imposed.

Pursuant to RCW 9.46.110 as the same now exists or may hereafter be amended, there is levied upon all persons, associations or organizations a tax on all gambling activities occurring within the city as permitted by state law at the following rates:

... [A-C unchanged]

D. All social card game rooms licensed under the provisions of RCW 9.46.030(1) and (4) at a rate equal to 11 percent of the annual gross receipts exceeding $10,000.
Section 3. Sunset. The amendment implemented by Section 1 of this ordinance shall terminate, and the amendment restoring the gambling tax to 11% implemented by Section 2 of this ordinance shall take effect, on June 30, 2005, should the State Legislature pass Senate Bill 5287 or any bill which limits the authority of the city of Shoreline to tax social card rooms licensed under chapter 9.46. RCW to ten (10) percent or less, or allows a credit for Shoreline gambling taxes paid against a new state gambling tax levied by such bill against social card rooms licensed under chapter 9.46. RCW.

Section 4. Publication, Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force from April 1, 2005.

PASSED BY THE CITY COUNCIL ON MARCH 7, 2005.

[Signature]
Mayor Ronald B. Hansen

ATTEST:

[Signature]
Sharon Mattioli
City Clerk

APPROVED AS TO FORM:

[Signature]
Ian Sievers
City Attorney

Date of Publication: March 10, 2005
Effective Date: April 1, 2005