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CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3222

AN ORDINANCE relating to the Business and Occupation Tax; imposing an additional license fee or occupation tax on the privilege of engaging in business activities; providing for a Special Initiative procedure for said additional tax; providing for the disposition of the proceeds of said additional tax; amending Section 4 of Ordinance No. 24 and Bellevue City Code Section 4.08.050; and adding new Sections 4.08.031 and 4.08.101 to Chapter 4.08 of the Bellevue City Code.

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

Section 1. There is hereby added to Chapter 4.08 of the Bellevue City Code a new Section 4.08.031, to read as follows:

4.08.031 - Payment of additional taxes - amounts.

In addition to the tax imposed by Section 4.08.030, there is levied upon and shall be collected from and paid as hereinafter provided by every person on account and for the privilege of engaging in business activities, an additional license fee or occupation tax, sometimes herein referred to as the "tax", in amounts to be determined by application of rates given against value of products, gross proceeds of sale, or gross income of business, or cost of doing business, or square footage of office space, as the case may be, for each quarterly period, as follows:

- A. Upon every person engaging within this City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products extracted for sale or commercial use, multiplied by the rate of three one-hundredths of one percent;

The measure of the tax is the value of the products so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

- B. Upon every person engaging within this City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products manufactured, multiplied by the rate of three one-hundredths of one percent.

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The measure of the tax is the value of the products so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

- C. Upon every person engaging within this City in the business of making sales at wholesale or retail, except persons taxable under Subsection D; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold multiplied by the rate of three one-hundredths of one percent.

For purposes of this chapter the term "sale at retail", in addition to its normal meaning, shall include the provision by any person of competitive telephone service.

"Competitive telephone service" means the furnishing or providing of telephone equipment, apparatus or service, for which a separate charge is made, but it does not include charges made for access to the local telephone network; charges for local telephone network switching service or facilities, or charges made for telephone calls originating on coin telephones or revenues from coin telephone equipment or apparatus, or charges made for toll telephone service.

- D. Upon every person engaging within this City in the business of buying wheat, oats, corn and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax herein imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of six one-thousandths of one percent.
- E. Upon every person engaging within this City in the business of: (1) Printing and of publication of newspapers, periodicals or magazines; (2) Building, repairing or improving any publicly owned street, place, road, highway, bridge or trestle which is used, or to be used, primarily for foot or vehicular traffic; (3) Building, repairing or improving a commercial or residential structure or other building accessory thereto on the land of another, except upon land where the builder is lessee for a term equal to or in excess of the expected life of the structure; as to such persons the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of three one-hundredths of one percent.

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- F. Upon every person within this City engaging in any business activity other than or in addition to those enumerated elsewhere in this section; as to such persons the amount of tax for such activities shall be equal to the gross income of the business multiplied by the rate of three one-hundredths of one percent. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, confusion or other than by outright sale), persons engaged in the business of rendering any type of service.
- G. Upon every person engaging within this City in the business of selling the personality or realty of another; as to such persons, the amount of tax with respect to such business shall be equal to the gross commissions derived from such sales multiplied by the rate of three one-hundredths of one percent.
- H. Upon every person within this City engaging in the business of maintaining offices, including but not limited to administrative offices, sales representative offices, manufacturers' representative offices, and persons maintaining common carrier dispatch points:
1. As to such persons, the tax for such activities shall be the amount determined as follows:
 - a. \$0.0214 for each quarterly period of a calendar year for each square foot of floor area of office space computed to the nearest square foot; and
 - b. The 0.0214 factor (set forth in (a)) shall be adjusted annually on January 1, to reflect the effect of inflation or deflation in the local economy. The amount and direction of change will be determined by reference to the Seattle Area Consumer Price Index (CPI) for each November as published by the United States Department of Labor.

The tax rate per square foot for any future year will be determined by multiplying the current tax rate by a change factor. The change factor is determined by dividing the aforementioned CPI Index of the current year by the said index of the prior year.

- c. Provided however, as to such persons whose offices are not more than 200 square feet as determined in this subsection, an exemption from the tax of this subsection is hereby granted.
2. As to such persons who maintain an office, all or a portion of which provides administrative support to a business activity which is taxed under any other subsection of this section, an exemption from the tax of this subsection is granted in that proportion that administrative support for the business activity taxed under any other subsection of this section bears to the total administrative activity of the office. The Clerk shall promulgate rules and regulations for the manner, means and method of determining the said exemption.
3. The taxable floor area of office space shall be computed on the basis of net rentable area as follows:

- a. Rentable Area - Single Tenancy Floor. Rentable area of a single tenancy floor, whether above or below grade, shall be computed by measuring to the inside finish of permanent outer building walls, or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall include all area within outside walls, less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air-conditioning rooms, fan rooms, janitor closets, electrical closets - and such other rooms not actually available to the tenant for his furnishings and personnel - and their enclosing walls. Toilet rooms within and exclusively serving only that floor shall be included in rentable area.

No deductions shall be made for columns and projections necessary to the building.

- b. Rentable Area - Multiple Tenancy Floor. The Net Rentable Area of a multiple tenancy floor, whether above or below grade, shall be the sum of all rentable areas on that floor.

The rentable area of an office on a multiple tenancy floor shall be computed by measuring to the inside finish of permanent outer building walls, or to the glass line if at least 50% of the outer building wall is glass, to the office side of corridors and/or other permanent partitions, and to the center of partitions that

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separate the premises from adjoining rentable areas.

No deductions shall be made for columns and projections necessary to the building.

- c. When the taxable floor space of an office changes during a quarter, the tax shall be computed on a monthly basis. For the purposes of this allocation, a month shall be 16 or more days during any calendar month.

Section 2. Section 4 of Ordinance No. 24 and Bellevue City Code Section 4.08.050 are hereby amended to read as follows:

4.08.050 Each activity taxable - Exceptions.

Every person engaging in activities which are within the purview of the provisions of two or more paragraphs designated A, B, C, D, E and F of Section 4.08.030 and A, B, C, D, E and F of Section 4.08.031 shall be taxable under each applicable paragraph; provided, that persons taxable under paragraph C of Section 4.08.030 and paragraph C of Section 4.08.031 on products sold within the City for delivery within the state shall not be taxable under paragraphs A or B of said Sections with respect to extracting or manufacturing of such products so sold, and that persons taxable under paragraph B of said Sections shall not be taxable under paragraph A of said Sections with respect to extracting the ingredients of the product so manufactured.

Section 3. A new Section 4.08.101 is hereby added to Chapter 4.08 of the Bellevue City Code, to read as follows:

4.08.101 Additional Minimum Tax.

Whenever a person engages in one or more business activities, and the combined measures of tax applicable to such business or businesses, less applicable deductions and exemptions, equals or exceeds six hundred dollars (\$600.00), but is not more than twelve thousand dollars (\$12,000.00) in a quarterly period, he shall pay, in addition to the tax imposed by Section 4.08.100, an additional minimum tax of three dollars and sixty cents (\$3.60) for such quarterly period.

Section 4. The taxes imposed by Bellevue City Code Sections 4.08.031 and 4.08.101 shall be subject to a Special Initiative. The procedures for Initiative set forth in Ordinance No. 2230 and Bellevue City Code Chapter 1.12 shall apply to any Special Initiative Petition filed in regard to said taxes. If a Special Initiative Petition is

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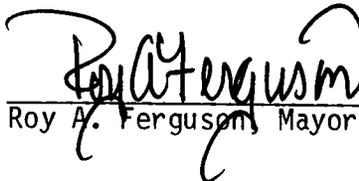
filed with the City Council regarding the taxes imposed by Bellevue City Code Sections 4.08.031 and 4.08.101, the operation of this Ordinance shall not be suspended pending final disposition and voter approval or rejection of the Special Initiative, and said taxes shall continue to be collected unless and until the Special Initiative is approved by the City Council or by the voters.

Section 5. The proceeds of the taxes imposed by Bellevue City Code Sections 4.08.031 and 4.08.101 shall be distributed twenty-five percent (25%) to the City's current expense fund (General Fund) and seventy-five percent (75%) to a special fund to be hereafter created by the City Council, to be known as the General Capital Improvement Program Fund No. 368. Proceeds of said taxes deposited in said General Capital Improvement Program Fund No. 368 shall be used for such general capital improvement purposes or for such other purposes as the City Council shall by Ordinance or Resolution designate.

Section 6. This ordinance shall be published by posting it in the three official posting places of the City and shall take effect and be in force thirty days after the date of posting.

PASSED by the City Council this 27th day of February, 1983, and signed in authentication of its passage this 27th day of February, 1983.

(SEAL)



Roy A. Ferguson, Mayor

Approved as to form:

Linda M. Youngs, City Attorney



Richard L. Andrews, Assistant City Attorney

Attest:



Marie K. O'Connell, City Clerk

Published February 12, 1983