

CITY OF BELLEVUE, WASHINGTON

ORDINANCE No. 6045

An ORDINANCE imposing a sales and use tax as authorized by RCW 82.14.415 to offset the costs of providing certain municipal services to the South Bellevue annexation area of Eastgate and Tamara Hills, certifying the city's anticipated true and actual costs to provide municipal services to the annexed area, setting a new threshold amount for the state's fiscal year, establishing the applicable tax rate, providing notice of any applicable tax rate changes, and establishing an effective date.

WHEREAS, the City has received sufficient petitions for annexation by the petition method established in chapter 35A.14 RCW for the Eastgate and Tamara Hills South Bellevue Potential Annexation Area (PAA) (the "Eastgate Annexation") with an estimated combined population threshold of at least four thousand; and

WHEREAS, the City anticipates action on an annexation ordinance for the Eastgate Annexation, following a public hearing scheduled for March 5, 2012, and

WHEREAS, RCW 82.14.415 allows the City, under the circumstances of this annexation, to impose a sales and use tax as authorized, with that tax being a credit against the state sales and use tax; and

WHEREAS, RCW 82.14.415 requires that the City Council determine a threshold amount representing costs to serve the Eastgate Annexation area less revenues to be generated by the area in order to establish the rate and amount of the sales tax authorized thereunder; and

WHEREAS, in anticipation of the Eastgate Annexation, should it occur, the City projects costs of at least \$3 million to provide city levels of service to the annexed area; and

WHEREAS, the City estimates revenue to be \$1.8 million that the City would otherwise receive from the annexation area for the Initial Blended Fiscal Year (from July 1, 2012 through June 30, 2013); and

WHEREAS, the maximum state sales tax rate permitted for an annexation of at least four thousand for a city with a population between one hundred fifteen thousand and one hundred forty thousand and located within King County with a population over one million five hundred thousand is one tenth of one percent (0.1%) of the selling price or value of the article used, as the case may be; provided that in no event may the revenues from the tax authorized in this section exceed that which the City deems necessary to generate revenue equal to the difference between the City's cost to

provide, maintain, and operate municipal services for the annexation area and the general revenues that the City would otherwise expect to receive from the annexation during a year; now, therefore:

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

Section 1: As authorized by RCW 82.14.415, there is imposed a sales or use tax, as the case may be, upon every taxable event, as defined in RCW 82.14.020, occurring within the city. The tax shall be imposed upon and collected from those persons from whom the state sales or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW. Such tax shall be in addition to the sales or use taxes imposed under Bellevue City Code chapter 4.12 and other taxes authorized by law.

Section 2: The rate of the tax imposed by Section 1 of this ordinance shall be one tenth of one percent (0.1%) of the selling price or value of the article used, as the case may be.

Section 3: The tax authorized under this section shall be a credit against the state tax under Chapter 82.08 or 82.12 RCW. The Washington State Department of Revenue shall perform the collection of such taxes on behalf of the city, at no cost to the city, and shall remit the tax to the city as provided in RCW 82.14.060 and 82.14.415.

Section 4: The threshold amount for the first fiscal year following the annexation and adoption of the tax authorized by RCW 82.14.415 is as follows: \$3 million.

Section 5. The tax imposed by Section 1 of this ordinance shall be effective as of July 1 of the fiscal year within which the City Council approves annexation of the Eastgate Annexation Area. The tax shall cease to be distributed to the City for the remainder of the fiscal year once the threshold amount, as set forth in Section 4, has been reached.

Section 6. All revenue collected under this ordinance may be used solely to offset the costs of providing, maintaining, and operating municipal services for the annexation area to the maximum extent allowed by law, and for any other lawful purpose.

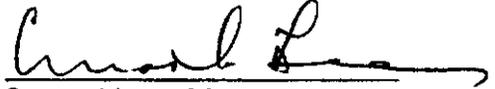
Section 7: The City Manager or his designee is hereby authorized to provide all required notices to the State Department of Revenue and take such other steps as necessary to carry out the provisions of this ordinance.

Section 8: This ordinance shall take effect and be in force five (5) days after legal publication.

ORIGINAL

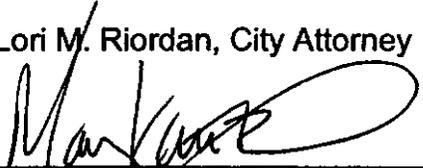
Passed by the City Council this 21st day of February, 2012 and signed
in authentication of its passage this 21st day of February 2012.

(SEAL)

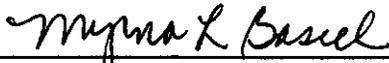

Conrad Lee, Mayor

Approved as to form:

Lori M. Riordan, City Attorney


Mary Kate Berens, Deputy City Attorney

Attest:


Myrna L. Basich, City Clerk

Published February 24, 2012