

CITY OF SNOQUALMIE, WASHINGTON

ORDINANCE NO. 1251

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SNOQUALMIE, WASHINGTON, PROVIDING FOR A SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED ELECTORS OF THE CITY AT AN ELECTION TO BE HELD ON NOVEMBER 2, 2021; IMPOSING A SALES AND USE TAX WITHIN THE CITY IN THE AMOUNT OF TWO-TENTHS OF ONE PERCENT (0.2%) FOR A PERIOD OF THE LONGER OF TEN YEARS OR THE TIME NECESSARY FOR REPYAMENT OF INDEBTEDNESS ISSUED BY THE CITY AS AUTHORIZED BY RCW 36.73.070, FOR THE PURPOSE OF PAYING FOR OR FINANCING THE COST OF TRANSPORTATION IMPROVEMENTS; REPEALING SECTIONS 2 AND 4(C) OF ORDINANCE NO. 1223A IMPOSING A VEHICLE LICENSE FEE; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Chapter 36.73 of the Revised Code of Washington ("RCW") authorizes a city to create a transportation benefit district for the purpose of financing and carrying out transportation improvements necessitated by economic development and to improve the performance of transportation systems; and

WHEREAS, per RCW 36.73.015, transportation improvements include, among other things, projects contained in the transportation plan of a city, including operation, preservation, and maintenance of transportation facilities, and may include investment in transportation projects and programs of regional and statewide significance; and

WHEREAS, on June 14, 2010, in accordance with RCW 36.73.050 and RCW 35.21.225, the City Council of the City of Snoqualmie (the "City") passed Ordinance No. 1061 establishing the Snoqualmie Transportation Benefit District for funding transportation maintenance and improvement projects that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, the District was originally organized as a legally separate municipal entity and taxing authority from the City; and

WHEREAS, on August 30, 2010, pursuant to RCW 36.73.065, the Snoqualmie Transportation Benefit District (the "District") passed Resolution No. 004 imposing a \$20 vehicle license fee for the purpose of making transportation improvements that preserve, maintain and improve transportation infrastructure of the City; and

WHEREAS, on October 26, 2015, the City Council adopted Ordinance No 1163, pursuant to which the City assumed the rights, powers immunities, functions and obligations of the District, as allowed by Chapter 36.74 RCW, and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; and

WHEREAS, on March 9, 2020, after a duly held public hearing, the City Council passed Ordinance 1223A, repealing District Resolution No. 004, adopting Snoqualmie Municipal Code ("SMC") Section 12.26.050 and imposing vehicle license fees in the amount of: (1) \$40 per vehicle through April 1, 2022; and (2) \$20 per vehicle starting on April 1, 2022; and

WHEREAS, RCW 36.73.040(3)(a) and RCW 82.14.0455 authorize the City, subject to the affirmative vote of approval of a majority of the voters at a general or special election, to impose a sales and use tax in the amount of two-tenths of one percent (0.2%) upon the occurrence of any taxable event within the boundaries of the City, to fund transportation maintenance and improvements as authorized by Chapter 36.73 RCW; and

WHEREAS, the City Council has determined that a sales and use tax imposed in accordance with RCW 82.14.0455 will provide a more equitable funding source than the vehicle license fee imposed under SMC 12.26.050, because the vehicle fee is paid only by vehicle owners residing within the City, while a sales and use tax will be paid not only by City resident vehicle owners but also by all persons and businesses who make sales at retail of goods, services and uses within Snoqualmie;

WHEREAS, the City desires to transition from the current vehicle mechanism for financing transportation maintenance and improvement projects to financing provided by the imposition of a two-tenths of one percent (0.2%) sales and use tax in accordance with RCW 82.14.0455, subject to the affirmative vote of a majority of voters within the City voting on the proposition; and

WHEREAS, said sales and use tax will be used entirely to fund transportation improvements as provided for by SMC 12.26.050, namely, transportation improvements that preserve, maintain and operate existing infrastructure of the city consistent with the requirements of Chapter 36.73 RCW, including without limitation improvements that preserve, maintain and operate the City's previous investments in transportation infrastructure, reduce the risk of transportation facility failure, improve safety, or reduce congestion; and

WHEREAS, said sales and use tax will also be used to fund transportation improvements identified in the City's Six-Year Transportation Improvement Plan ("STIP") and Non-Utility Capital Improvement Plan, including without limitation the Sidewalk Replacement Program, Snoqualmie Parkway Rehabilitation Program, and the Street Resurfacing Program; and

WHEREAS, if the City Council issues bonded indebtedness or other financing authorized by RCW 36.73.070, said sales and use tax will be exclusively for the repayment of such bonded indebtedness or financing; and

WHEREAS, effective upon approval of the sales and use tax by the voters, the City Council also desires to amend SMC 12.26.050 to repeal the \$40 vehicle license in its entirety;

WHEREAS, the vehicle license fee generates approximately \$406,000 per year, paid entirely by residents, and a .02% sales tax would generate approximately \$550,000 per year paid in significant part by non-residents;

NOW THEREFORE, the City Council of the City of Snoqualmie, Washington, does hereby ordain as follows:

Section 1. Findings. The City Council finds that it is in the best interests of the City to submit to the qualified voters of the City, at a general election to be held on November 2, 2021, a proposition authorizing the City to impose a sales and use tax of two-tenths of one percent (0.2%) pursuant to RCW 36.73.040(3), 36.73.065(1) and 82.14.0455 for the purpose of raising revenue to acquire, invest in, construct, improve, provide, and operate transportation related facilities and transportation improvements in the City, and to impose such sales and use tax effective upon approval by an affirmative vote of a majority of the City voters voting in the election.

Section 2. Description of Transportation Projects. The specific transportation projects to be paid for or financed in whole or in part with proceeds of the sales and use tax described in this ordinance consist of the transportation maintenance and capital projects identified the City of Snoqualmie Non-Utility Capital Improvement Program ("Non-Utility CIP") and the Six-Year Transportation Improvement Plan ("STIP") as the same may be adopted and amended by the Snoqualmie City Council from time to time. Said projects include without limitation the Snoqualmie Parkway Rehabilitation Project and Street Resurfacing Project identified in the 2020 Non-Utility CIP.

If the proceeds of sales and use taxes authorized by this ordinance plus other legally available funds are insufficient to accomplish all the transportation projects, the Council shall use the available funds for paying the cost of those portions of the transportation projects deemed by the Council most necessary and in the best interest of the City.

If all the transportation projects have been acquired, constructed, implemented, or duly provided for, or found to be impractical, the Council may apply the sales and use tax proceeds, plus any other legally available City money, or any portion thereof, to other transportation improvements identified in the City's then-current Non-Utility CIP and/or STIP.

Section 3. Calling of Election. The Council finds and declares that the best interests of the City require the submission to the qualified voters of the City a proposition of whether the City shall impose

a sales and use tax within the limitations established in RCW 82.14.0455 for their approval or rejection. The Council requests that the Director of Elections of King County, as *ex officio* Supervisor of Elections in King County ("Director of Elections"), call and conduct an election in the City, in the manner provided by law, to be held on November 2, 2021, for the purpose of submitting to the voters of the City, for their approval or rejection a proposition whether the City shall impose a sales and use tax at the rate of two-tenths of one percent (0.2%) of the selling price in the case of a sales tax, or value of the article used in the case of the use tax. If approved, this sales and use tax shall be collected the longer of a term of ten years, or for a period exceeding ten years if the revenues received from this tax are dedicated for the repayment of indebtedness incurred in accordance with the requirements of Chapter 36.73 RCW. The tax is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the City.

If such proposition is approved by the requisite number of voters, the City shall be authorized to use the proceeds of such sales and use tax for paying for or financing all or part of the costs of the transportation projects in accordance with the requirements of Chapter 36.73 RCW.

Section 4. Certification of Ballot Proposition. The City Clerk is hereby authorized and directed to certify the following proposition to the Director of King County Elections, as *ex officio* supervisor of elections in King County, Washington, in substantially the following form. The election shall be held by all mail-in ballot.

CITY OF SNOQUALMIE, WASHINGTON
PROPOSITION 1
SALES AND USE TAX FOR
TRANSPORTATION IMPROVEMENTS

The City Council of Snoqualmie, Washington adopted Ordinance 1251 imposing a sales and use tax for transportation improvement projects. This proposition would authorize a sales and use tax at the rate of 0.2% on retail sales within the City, for the longer of ten years or, if revenue is dedicated to repayment of indebtedness, the time necessary to repay such indebtedness, to pay for transportation improvements defined in RCW 36.73.015, including the Sidewalk Replacement Program and other projects in the Six-Year Transportation Improvement Plan or Non-Utility CIP, as set forth in Ordinance No. _____.

Should this proposition be approved?

YES.....

NO.....

Section 5. Chapter 3.09 SMC Adopted. Subject to and following the approval of the proposition provided for in Section 4 of this ordinance by affirmative vote of a majority City voters voting in the November 2021 general election, Chapter 3.09 of the Snoqualmie Municipal Code is hereby adopted to read as follows:

Chapter 3.09
SALES AND USE TAX FOR
TRANSPORTATION IMPROVEMENTS

Sections:

- 3.09.010 Imposition.**
- 3.09.020 Rate.**
- 3.09.030 Administration and collection.**
- 3.09.040 Consent to inspection of records.**
- 3.09.050 Authorizing execution of contract for administration.**
- 3.09.060 Use of tax proceeds.**
- 3.09.070 Penalties.**
- 3.09.080 Effective date.**
- 3.09.090 Term.**

3.09.010 Imposition.

There is imposed a sales and use tax as authorized by RCW 36.73.065(1) and 82.14.0455, upon the occurrence of any taxable event, as defined in RCW 82.14.020, occurring within the boundaries of the city. The tax shall be imposed upon and collected from those persons from whom the state sales tax and use tax is collected pursuant to Chapters 82.08 and 82.12 RCW.

3.09.020 Rate.

The rate of the tax imposed by SMC 3.09.010 shall be two-tenths of one percent (0.2%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

3.09.030 Administration and collection.

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050.

3.09.040 Consent to inspection of records.

The city consents to the inspection of such records as are necessary to qualify the city for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330.

3.09.050 Authorizing execution of contract for administration.

The mayor is authorized to enter into a contract with the Department of Revenue for the administration of this tax, in accordance with the provisions of RCW 82.14.050.

3.09.060. Use of tax proceeds.

The proceeds of the tax imposed by SMC 3.09.010 shall be used for transportation improvements as defined in RCW 36.73.015(6) and included in the City of Snoqualmie Six-Year Transportation Improvement Plan and/or Non-Utility Capital Improvement Plan. If any bonded indebtedness is issued under RCW 36.73.070 to pay for such transportation improvements, the proceeds of the tax shall be dedicated to the repayment of such indebtedness.

3.09.070 Penalties.

Any seller who fails or refuses to collect the tax as required with the intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any buyer who refuses to pay any tax due under this chapter shall be guilty of a misdemeanor, and upon conviction thereof shall be fined no more than \$500.00 or imprisoned for not more than six months, or shall be punished by both such fine and imprisonment.

3.09.080 Effective date.

Subject to and following the approval by affirmative vote of a majority city voters voting in the November 2021 general election, and following the expiration of seventy-five (75) days following written notice to the Washington Department of Revenue, the provisions of this chapter shall take effect on April 1, 2022.

3.09.090 Term.

The tax imposed under SMC 3.09.010 shall be in effect for the longer of ten years or the time necessary for repayment of any indebtedness incurred as authorized under Ch. 36.73 RCW.

.....**Section 6. Sections 2 and 4(C) of Ordinance No. 1223A Repealed.** Subject to and following the approval of the proposition provided for in Section 4 of this ordinance by

affirmative vote of a majority City voters voting in the November 2021 general election, Sections 2 and 4(C) of Ordinance 1223A imposing vehicle license fees are repealed effective March 31, 2022.

.....**Section 7. Effective Date.** Except as otherwise specifically set forth herein, this ordinance will take effect from and after its adoption and the expiration of five days after its publication as provided by law.

.....**Section 8. Corrections by City Clerk.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance or resolution numbering and section/subsection numbering.

.....**Section 9. Severability.** If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

PASSED by the City Council of the City of Snoqualmie, Washington, at a regular open public meeting thereof held this 12th day of July, 2021.

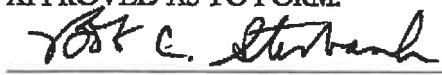
CITY OF SNOQUALMIE


Matthew R. Larson, Mayor

ATTEST:-


Nicole Wiebe, Interim City Clerk

APPROVED AS TO FORM:


Bob C. Sterbank, City Attorney

CERTIFICATE

I, the undersigned, City Clerk of the City of Snoqualmie, Washington, and keeper of the records of the City Council, DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance 1251 of the City Council (the "Ordinance"), as passed at a regular meeting of the City Council held on July 12, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that quorum of the City Council was present throughout the meeting, and a legally sufficient number of members of the City Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

Dated this 13th day of July, 2021.



Nicole Wiebe, Interim City Clerk