

ORDINANCE NO. 2236

ORDINANCE AMENDING SELAH MUNICIPAL CODE SECTION 4.34.040

WHEREAS, Selah Municipal Code (SMC) Chapter 4.34, labeled as Utility Occupation Tax, was enacted in 1983 (via Ordinance No. 810) and its various subsections have seldom been revised; and

WHEREAS, the City Council finds that good cause exists to amend SMC 4.34.040(8) and to create a new subsection (9), so as to provide greater clarity and also to more closely align with how municipalities typically impose interfund "taxes" on City-run utilities;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, does hereby ordain as follows:

Section 1. Amendment of SMC 4.34.040(8). That the presently-published version SMC 4.34.040(8), which reads as follows:

(8) Upon the city engaged in or carrying on the business of operating water and sewerage systems for domestic, business, or industrial use, and upon the city engaged in or carrying on the business of operating a garbage collection service, a fee or tax of equal to six percent of the total gross income derived from such business within the city during the period for which the license fee or tax is due. Of this amount 8.5 percent will be distributed with 5.16 percent recorded for the support of fire department operations and 3.34 percent for police department operations. Provided that city utility customers participating in low income senior and/or disabled rate programs will only be charged a fee or tax equal to the rates imposed in subsections (1) thru (7) for private utility company providers.

; shall be and hereby is amended to henceforth read as follows:

(8) An interfund tax of six percent is hereby imposed upon and against gross enterprise revenues that the City receives from its utility customers due to the City directly or via a third-party contractor carrying on the business(es) of operating a water system, a sewerage system, a garbage (a/k/a solid waste) collection service, or any combination thereof, and such interfund tax revenues shall be credited to the City's general fund account and available for use on or toward any proper City expenditure or undertaking. As stated, this is an interfund tax, rather than a traditional tax that is or can be imposed against residents, citizens, customers, or third-party utility operations.

Section 2. Enactment of New SMC 4.34.040(9). That a new subsection (9) is hereby added to SMC 4.34.040, to read as follows:

(9) An interfund tax of eight and one-half percent is hereby imposed upon and against gross enterprise revenues that the City receives from its utility customers

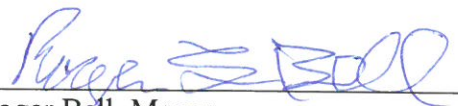
due to the City directly or via a third-party contractor carrying on the business(es) of operating a water system, a sewerage system, a garbage (a/k/a solid waste) collection service, or any combination thereof, and such interfund tax revenues shall be credited to the City's general fund account and such tax revenues shall customarily be devoted toward public safety. As stated, this is an interfund tax, rather than a traditional tax that is or can be imposed against residents, citizens, customers, or third-party utility operations.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.


Section 4. Corrections. The City Attorney and the codifiers of the SMC are authorized – consistent with RCW 35.21.500 – to make any necessary or desirable clerical or formatting changes – including but not limited to correcting scrivener errors; changing formatting; eliminating bold, italic and underscore emphasis; changing numbering; and correcting references – when publishing or republishing the official text of any section(s), Chapter(s), title(s) or other portion(s) of the SMC due to any amendment, addition, alteration, change, impact or enactment effectuated by this Ordinance.

Section 5. Publishing & Effective Date. Consistent with RCW 35A.12.130 (3<sup>rd</sup> ¶) and .160 (1<sup>st</sup> and 2<sup>nd</sup> ¶¶), this Ordinance or a summary of it shall be published at least once in the City's official newspaper prior to the Ordinance taking effect.


PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON this 12<sup>th</sup> day of November, 2024.

  
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Roger Bell, Mayor

ATTEST:

  
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Courtney McGarity, City Clerk

APPROVED AS TO FORM:

  
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Rob Case, City Attorney