

**POULSBO DISTRIBUTION SCHEDULE**

**ORDINANCE NO. 2020-12**

**SUBJECT: Utility Tax Increase**

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**CONFORM AS TO DATES & SIGNATURES**

- Filed with the City Clerk: 08/26/2020
- Passed by the City Council: 09/09/2020
- Signature of Mayor
- Signature of City Clerk
- Publication: 09/17/2020
- Effective: 10/01/2020
- Recorded: \_\_\_\_\_

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Rhiannon Fernandez  
City Clerk

09/14/2020  
Date

**ORDINANCE NO. 2020-12**

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING SUBSECTIONS 3.36.050(E) AND (H) OF THE POULSBO MUNICIPAL CODE IN ORDER TO INCREASE THE TAX ON THE PROVISION OF WATER, SEWER, AND STORMWATER UTILITY SERVICE TO TWELVE PERCENT (12%) EFFECTIVE OCTOBER 1, 2020; PROVIDING FOR SAID TAX TO DECREASE TO TEN PERCENT (10%) IN 2023, TO EIGHT PERCENT (8%) IN 2025, AND TO SIX PERCENT (6%) IN 2027; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

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**WHEREAS**, the City currently imposes a six utility (6%) tax on the sale, delivery, distribution and furnishing of water, sewer, and stormwater service within the City limits and on such service outside the City limits when provided by the City; and

**WHEREAS**, the Poulsbo City Council has determined the tax rate should be raised from six (6%) to twelve percent (12%) effective October 1, 2020 in order to deal with current economic issues and that the City will reduce the rate to ten percent (10%) effective January 1, 2023, and reduce the rate to eight percent (8%) effective January 1, 2025, and reduce the rate to six percent (6%) effective January 1, 2027;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1. 2020 Utility Tax Increase.** Effective October 1, 2020, PMC 3.36.050(E) and (H) shall be amended to increase the tax on the provision of water, sewer, and stormwater utility service to twelve percent (12%) and to read as follows:

- E. Upon every person engaged in the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses or the provision of sewage collection and disposal, a tax equal to twelve percent of the total gross income derived from the operation of such business within the city. The tax shall also apply to all revenues from the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses to customers located outside the city when said service is provided by the city.

...

- H. Upon every person engaged in the sale, delivery, distribution, or furnishing of stormwater collection and disposal, a tax equal to twelve percent of the total gross income derived from the operation of such business within the city. The tax rate established by this subsection shall apply to all gross income received on or after October 1, 2020.

**Section 2. 2023 Utility Tax Decrease.** Effective January 1, 2023, PMC 3.36.050(E) and (H)

shall be amended to decrease the tax on the provision of water, sewer, and stormwater utility service from the twelve percent (12%) approved in Section 1 to ten percent (10%) and to read as follows:

- E. Upon every person engaged in the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses or the provision of sewage collection and disposal, a tax equal to ten percent of the total gross income derived from the operation of such business within the city. The tax shall also apply to all revenues from the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses to customers located outside the city when said service is provided by the city.

...

- H. Upon every person engaged in the sale, delivery, distribution, or furnishing of stormwater collection and disposal, a tax equal to 10 percent of the total gross income derived from the operation of such business within the city. The tax rate established by this subsection shall apply to all gross income received on or after January 1, 2023.

**Section 3. 2025 Utility Tax Decrease.** Effective January 1, 2025, PMC 3.36.050(E) and (H)

shall be amended to decrease the tax on the provision of water, sewer, and stormwater utility service from the ten percent (10%) approved in Section 2 to eight percent (8%) and to read as follows:

- E. Upon every person engaged in the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses or the provision of sewage collection and disposal, a tax equal to eight percent of the total gross income derived from the operation of such business within the city. The tax

shall also apply to all revenues from the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses to customers located outside the city when said service is provided by the city.

...

- H. Upon every person engaged in the sale, delivery, distribution, or furnishing of stormwater collection and disposal, a tax equal to eight percent of the total gross income derived from the operation of such business within the city. The tax rate established by this subsection shall apply to all gross income received on or after January 1, 2025.

**Section 4. 2027 Utility Tax Decrease.** Effective January 1 2027, PMC 3.36.050(E) and (H)

shall be amended to decrease the tax on the provision of water, sewer, and stormwater utility service from the eight percent (8%) approved in Section 3 to six percent (6%) and to read as follows:

- E. Upon every person engaged in the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses or the provision of sewage collection and disposal, a tax equal to six percent of the total gross income derived from the operation of such business within the city. The tax shall also apply to all revenues from the sale, delivery, distribution, or furnishing of water for domestic, farm, and other uses to customers located outside the city when said service is provided by the city.

...

- H. Upon every person engaged in the sale, delivery, distribution, or furnishing of stormwater collection and disposal, a tax equal to six percent of the total gross income derived from the operation of such business within the city. The tax rate established by this subsection shall apply to all gross income received on or after January 1, 2027.

**Section 5. Severability.** If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or

unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 6. Effective Date.** This ordinance shall take effect and be in full force on October 1, 2020.

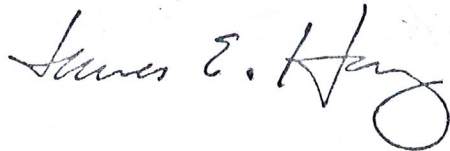
APPROVED:

  
\_\_\_\_\_  
MAYOR REBECCA ERICKSON

ATTEST/AUTHENTICATED:

  
\_\_\_\_\_  
CITY CLERK RHIANNON FERNANDEZ

APPROVED AS TO FORM:

  
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CITY ATTORNEY JAMES E. HANEY

FILED WITH THE CITY CLERK: 08/26/2020  
PASSED BY THE CITY COUNCIL: 09/09/2020  
PUBLISHED: 09/17/2020  
EFFECTIVE DATE: 10/01/2020  
ORDINANCE NO. 2020-12

SUMMARY OF ORDINANCE NO. 2020-12  
of the City of Poulsbo, Washington

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On September 9, 2020, the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2020-12, the main point of which may be summarized by its title as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING SUBSECTIONS 3.36.050(E) AND (H) OF THE POULSBO MUNICIPAL CODE IN ORDER TO INCREASE THE TAX ON THE PROVISION OF WATER, SEWER, AND STORMWATER UTILITY SERVICE TO TWELVE PERCENT (12%) EFFECTIVE OCTOBER 1, 2020; PROVIDING FOR SAID TAX TO DECREASE TO TEN PERCENT (10%) IN 2023, TO 8% IN 2025, AND TO 6% IN 2027; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this ordinance will be mailed upon request.

DATED this 9<sup>th</sup> day of September, 2020.

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CITY CLERK, RHIANNON FERNANDEZ CMC