

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6696

AN ORDINANCE relating to the Business and Occupation Tax; increasing the rate of the tax; providing an effective date therefor; providing for a referendum procedure in accordance with the statute; and amending Bellevue City Code 4.09.050.

WHEREAS, Chapter 4.09 of the Bellevue City Code levies a tax upon every person for the act or privilege of engaging in business activities within the city, which tax is determined by application of rates given against certain criteria therein specified; and

WHEREAS, under RCW 35.21.710, the taxing authority granted to the City for taxes upon business activities measured by gross receipts or gross income from sales shall not exceed a rate of .0020; and

WHEREAS, the City's current Business and Occupation Tax rate on activities measured by gross proceeds of sale, gross income of business, and values of products, including byproducts, is .001496, leaving an unlevied tax rate capacity of .000504; and

WHEREAS, on December 4, 1989, the City Council adopted Ordinance 4094, reserving for Convention Center purposes .0001 from the City's unlevied Business and Occupation Tax rate capacity; and

WHEREAS, the City Council has determined it is in the best interests of the City and its residents to increase the Business and Occupation Tax rate in the City on activities measured by gross proceeds of sale, gross income of business, and values of products by .0001, which would result in a revised total Business and Occupation Tax rate of .001596, and leave an unlevied tax rate capacity of .000404; and

WHEREAS, the City Council seeks to reaffirm its intent to reserve for Convention Center purposes .0001 from the City's unlevied Business and Occupation Tax rate capacity; now, therefore,

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

Section 1. Section 2 of Ordinance 5436, as amended by Section 10 of Ordinance 5558, Section 11 of Ordinance 5780, Section 1 of Ordinance 6093, and Section 1 of Ordinance 6604; and Bellevue City Code 4.09.050 are amended to read as follows:

4.09.050 Imposition of the tax – Tax or fee levied.

...

B. Gross Receipts Taxes.

1. Upon every person engaging within the 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, including byproducts, extracted within the city for sale or for commercial or industrial use, multiplied by the rate of 0.1596 of one percent (.001596). The measure of the tax is the value of the products, including byproducts, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the city.
2. Upon every person engaging within the 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, including byproducts, manufactured within the city, multiplied by the rate of 0.1596 of one percent (.001596). The measure of the tax is the value of the products, including byproducts, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the city.
3. Upon every person engaging within the city in the business of making sales at wholesale, 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 0.1596 of one percent (.001596).
4. Upon every person engaging within the city in the business of making sales at retail; 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 0.1596 of one percent (.001596).
5. Upon every person engaging within the city in the business of (a) printing, (b) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (c) publishing newspapers, magazines and periodicals, (d) extracting for hire, and (e) processing for hire; 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 0.1596 of one percent (.001596).

6. Upon every person engaging within the city in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of 0.1596 of one percent (.001596).
7. Upon every other person engaging within the city in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of 0.1596 of one percent (.001596). 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, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

Section 2. The tax rates established under Section 1 above shall take effect and be in force on January 1, 2023.

Section 3. The City Council hereby reaffirms its intent to reserve for Convention Center purposes .0001 from the City's unlevied Business and Occupation Tax rate capacity under RCW 35.21.710.

Section 4. As provided by RCW 35.21.706, the referendum procedure set forth herein shall apply to this ordinance. A referendum petition may be filed with the City Clerk within seven (7) days of passage of this ordinance. Within ten (10) days the City Clerk shall confer with any such petitioner concerning the form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the City Attorney. The petitioner shall have thirty (30) days in which to secure the signatures of not less than fifteen (15) percent of the registered voters of the City, as of the last municipal general election, upon petition forms which contain the ballot title and full text of the measure to be referred. The City Clerk shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the City or at a special election ballot as provided pursuant to RCW 35.17.260(2).

The following sections of Bellevue City Code Chapter 1.12 shall apply to this referendum procedure (references to initiative therein shall be deemed to refer to referendum):

Bellevue City Code 1.12.070 regarding the referendum statement; 1.12.090, regarding referendum petition requirements; 1.12.100, regarding form of petitions, provided the time period prescribed by subsection H thereof shall be thirty (30) days;

1.12.110, regarding checking by the City Clerk; 1.12.140 regarding conduct of election; 1.12.150, regarding notice of election; 1.12.160, regarding ballots; 1.12.170, regarding ballot title; 1.12.230, regarding referendum statement; and 1.12.260, regarding effective date. No other provision of said Chapter 1.12 shall apply to the referendum procedure established by this ordinance.

Section 5. If for any reason this ordinance or any portion hereof is found to be invalid or does not take effect, or after having taken effect is later made ineffective by referendum or otherwise, than all provisions amended or repealed hereunder shall remain in effect and be in force as if this ordinance had never been enacted.

Section 6. This ordinance shall take effect and be in force thirty (30) days after its passage and legal publication.

Passed by the City Council this _____ day of _____, 2022
and signed in authentication of its passage this _____ day of _____,
2022.

(SEAL)

Lynne Robinson, Mayor

Approved as to form:
Kathryn L. Gerla, City Attorney

Jessica Nadelman, Assistant City Attorney

Attest:

Charmaine Arredondo, City Clerk

Published _____