

**ORDINANCE NO. 08-12**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON AMENDING SECTION 3.70.040 OF THE COVINGTON MUNICIPAL CODE ENACTING A TAX ON THE GROSS REVENUES OF THE SURFACE WATER UTILITY OPERATING WITHIN THE CITY TO PROVIDE REVENUE FOR CITY SERVICES AND CAPITAL REQUIREMENTS.**

WHEREAS, the economy continues to struggle and ongoing revenues continue to lag behind rising expenditures; and

WHEREAS, the city has made a concerted effort to address declining revenues through a combination of cost containment and revenue enhancement measures; and

WHEREAS, the city has forecasted deficits in the debt service fund beginning in 2014; and

WHEREAS, the City Council has determined that there is an ongoing need to protect the debt service fund; and

WHEREAS, real estate excise tax revenues do not cover the debt service payment causing the general fund to subsidize the debt service payment; and

WHEREAS, the city estimates that enacting the six percent surface water management service tax as provided for in Chapter 3.70 of the Covington Municipal Code (CMC) will generate \$100,000 annually; and

WHEREAS, the general fund will benefit through a reduced subsidy to the debt service fund; and

WHEREAS, the City Council has determined it is in the best interests of the public health, safety, and welfare to enact the surface water management utility service tax;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, DOES ORDAIN AS FOLLOWS:

**Section 1. Code Amendment.** The following amendment shall be made to CMC 3.70.040:

**3.70.040 Occupations subject to tax – Amount.**

There is levied upon and shall be collected from a person engaged in or carrying on a light and power business, telephone business, solid waste collection business, gas distribution business,

surface water management services, or cable television services in the City of Covington, a tax equal to six percent of the total gross income from such business in the City during the period for which the tax is due.

**Section 2. 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 pre-empted 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 3. Effective Date.** This ordinance shall be published in the official newspaper of the city, and shall take effect and be in full force on May 30, 2012.

Passed by the City Council on the 22<sup>nd</sup> day of May, 2012.

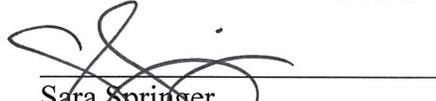
  
Mayor Margaret Harto

PUBLISHED: May 25, 2012  
EFFECTIVE: May 30, 2012

ATTESTED:

  
Sharon Scott  
City Clerk

APPROVED AS TO FORM:

  
Sara Springer  
City Attorney