

11/18/2024 (Date of First Reading)  
12/02/2024 (Date of Public Hearing)

ORDINANCE NO. M- 4477

AN ORDINANCE relating to utility taxes; adding a new chapter 5.10 to the Vancouver Municipal Code; enacting new sections VMC 5.10.010, 5.10.020, 5.10.030, 5.10.040, 5.10.045, 5.10.050, 5.10.060, 5.10.070, 5.10.080, 5.10.090, 5.10.100; repealing VMC sections 5.68.010, 5.68.020, 5.68.030, 5.68.040, 5.68.050, 5.68.055, 5.68.100, 5.68.110, 5.88.010, 5.88.020, 5.88.030, 5.88.035, 5.88.040, 5.88.050, 5.88.075, 5.88.100, 5.92.010, 5.92.020, 5.92.030, 5.92.040, 5.93.010, 5.93.030, 5.94.010, 5.94.020, 5.94.030, 5.94.040, 5.94.080, 5.96.010, 5.96.020, 5.96.030, 5.96.040, 5.96.090; and providing for savings, severability, referendum, and an effective date.

WHEREAS, the City of Vancouver is a first class charter city and has general taxing authority under RCW 35.22.280(32) to license for revenue purposes; and

WHEREAS, despite efforts by the City to address the structural challenge of the cost of providing such core services growing at a faster rate than revenues, including cost containment through organizational changes, budget cuts and investments in technology to automate processes and increase efficiencies, there remains a funding shortfall in the General, Street, and Fire Funds of approximately \$43 million over the next biennium; and

WHEREAS, the City is proposing to address that funding shortfall for the 2025-2026 biennial budget using a combination of targeted reductions in all General Fund supported departments and revenue increases; and

WHEREAS, RCW 35.21.870(1) limits the City's ability to tax electrical energy, natural gas, steam energy, or telephone businesses at a rate which exceeds six percent absent voter approval;

WHEREAS, a tax of general applicability to utilities to include cable operators or cable subscribers is authorized under the Cable Communications Policy Act of 1984 provided such tax is not unduly discriminatory against cable operators or cable subscribers;

WHEREAS, the City Council desires to consolidate its utility taxes into a single chapter to achieve uniformity, ease of reference, and applicability;

WHEREAS, as reflected in SR 240-24, Staff recommends that the City Council adopt this ordinance;

**NOW, THEREFORE,**

**BE IT ORDAINED BY THE CITY OF VANCOUVER:**

Section 1. The intent of this Ordinance is to consolidate chapters 5.68, 5.88, 5.92, 5.93, 5.94, and 5.96 of the Vancouver Municipal Code into a single chapter in the Vancouver Municipal Code to achieve uniformity in the taxation of utilities as well as including cable television in those general utilities that are taxed for conducting business within the City of Vancouver.

Section 2. A new chapter is created in Title 5 VMC, to be codified as chapter 5.10 VMC, which shall be entitled “Utility Licenses & Taxes.”

Section 3. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.010, and shall read as follows:

**5.10.010 Purpose**

The provisions of this chapter shall be deemed an exercise of the power of the City of Vancouver to license for revenue purposes.

Section 4. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.020, and shall read as follows:

**5.10.020 Definitions**

The definitions contained in VMC 5.04.020 are incorporated by reference into this Chapter unless otherwise expressly defined. For the purposes of this chapter, the following definitions shall apply:

A. “Cable television system” means the business of transmitting voice, video, or data signals, either one-way or two-way.

B. “City” means the City of Vancouver, Washington.

C. “Collector” or “collector of solid waste and/or recyclables” means a person, company or contractor with whom or which the City has entered into a contract by which such person or firm collects and removes solid waste and/or recyclables.

D. “Director” means the Chief Financial Officer of the City, or the Director of any successor department of the City, or any officer, agent, or employee of the City designated to act on the Director’s behalf.

E. “Gross income” or “total gross income” means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not), by reason of the investment of capital in the business engaged in, including rentals, royalties, fees or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses, including the amount of credit losses actually sustained by the taxpayer whose regular books or accounts are kept upon an accrual basis, PROVIDED:

1. For purposes of electricity, the term “gross income” does not include revenues derived from the sale of electricity for the purposes of resale and excluding revenues from any temporary surcharge imposed on sales in 1982 by Clark County PUD No. 1 for the purpose of mothballing or terminating certain WPPSS projects.

2. For purposes of natural gas, the term “gross income” does not include revenues derived from the sale or the transportation of such gas for the purposes of resale and excluding revenues derived from the sale of such gas to the United States, the State of Washington, any school district, port district, City of Vancouver, County of Clark, and the Clark County Public Utility District.

3. For purposes of telephone business, the term “gross income” does not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by the ordinance codified in this chapter.

F. “Gross subscriber revenue” means and includes those revenues derived from the supplying of a subscription service, that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits including the transmission of broadcast signals, and access and origination channels and per-program or per-channel charges.

G. “Person” or “company” herein used interchangeably, means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, limited liability company, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, and the United States or any instrumentality thereof.

H. “Solid waste” means garbage, trash, rubbish, or other material discarded as worthless or not economically viable for further use and related services. The term does not include hazardous or toxic waste nor does it include material collected primarily for recycling or salvage – including organics and related services.

I. “Solid waste collection service” means receiving solid waste for transfer, processing, treatment, storage, or disposal, including, but not limited to, all collection services under contract with the City.

J. “Taxpayer” means that person upon whom tax is imposed under this chapter.

K. “Telephone business” means the business of providing access to a local telephone network, local telephone services, or providing telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. “Telephone business” does not include the providing of competitive telephone service, nor the providing of cable television service. “Competitive telephone service” means the providing by any person of telephone equipment, apparatus or service, other than toll service, which is of a type which can be provided by persons that are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made. Transmission of communication through cellular telephones is classified as “telephone business” rather than as “competitive telephone business.”

L. “VMC” means the Vancouver Municipal Code.

Section 5. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.030, and shall read as follows:

**5.10.030 License Required**

No person, firm, corporation or municipal corporation shall engage in or carry on any business, occupation, act or privilege for which a tax is imposed by this chapter without first having obtained, and being the holder of, a license so to do. Each such person, firm, corporation or municipal corporation shall promptly apply to the City Clerk of Vancouver for such license upon such forms as the clerk shall prepare and provide, and the clerk, upon acceptance of such application, shall thereupon issue such license to the applicant. Such license shall be personal and nontransferable and shall be valid as long as the licensee continues in said business and complies with this chapter.

Section 6. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.040, and shall read as follows:

**5.10.040 Utility Tax Imposed**

From and after January 1, 2025, there is levied upon, and there shall be collected from, everyone, including the City, on account of the following utilities in or carried on, taxes in the amount to be determined by the application of rates given against total gross income as follows:

- A. Upon every person engaged in or carrying on a telephone business, to include any telecommunications service, a fee or tax equal to six percent of the total gross income, to include including income from intrastate tolls, derived from the operation of such business within the City. In computing this tax for telephone business, the following shall be deducted from the gross income:
  - 1. The amount of credit losses and uncollectibles actually sustained by taxpayer;
  - 2. Amounts derived from transactions in interstate or foreign commerce or from any business which the City is prohibited from taxing under the Constitutions of the United States or the state of Washington;
  - 3. Amounts derived by the taxpayer from the City.
- B. Upon every person engaged in or carrying on the operation in the City works, plants or facilities for the transportation, distribution or sale of manufactured or

natural gas, six percent of the total gross income up to the first twenty-five thousand dollars in any monthly period, and at a rate of 1.25 percent for any total gross income in excess of twenty-five thousand dollars in any monthly period.

- C. Upon every person engaged in or carrying on the operation or business in the City for the generation, production or distribution of electrical energy for hire or sale and/or for the wheeling of electricity for others, six percent of the total gross income up to the first twenty-five thousand dollars from the sale of electricity to a single consumer in any monthly period; two percent of the total gross income in excess of twenty-five thousand dollars up to three hundred thousand dollars from the sale of electricity to a single consumer in any monthly period; zero percent of the total gross income in excess of three hundred thousand dollars from the sale of electricity to a single consumer in any monthly period.
- D. Upon every person engaged in or carrying on the operation or business in the City of a cable television system, a tax equal to the least generally applicable percentage applied to telephone business, natural gas, and/or electricity, and such tax shall be of the total gross income derived from gross subscriber revenue, PROVIDED:
1. The tax liability imposed under this section shall not include leased channel revenue, advertising revenues, or any other income derived from the system,
  2. The business of operating or conducting a cable television system does not include the provision of interactive two-way communications over cable. Such activities shall be reported and taxed under the telecommunication service or telephone business classification.
- E. Upon the water-sewer department of the City a tax in the amount of 28.9 percent of total gross income; PROVIDED, the tax is not collected from income proceeding or accruing by the City from any public sewer district, and PROVIDED that there may be exempted from the total gross income upon which the tax levied by this section is imposed revenues received by the water-sewer department derived from an electronics user as defined in VMC 14.04.230, to the extent said revenues are derived from rates charged for sanitary sewer service for flows above 2.88 million gallons per day.
1. 1.5 percent of the tax collected under this section shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City, which are the City's capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.

2. 7.4 percent of the tax collected under this section shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.
  3. For purposes of the tax imposed on the City's water-sewer utility by this subsection, there may be exempted from the total gross revenue upon which the gross receipts tax revenues received by the water-sewer department derived from an electronics user as defined in VMC 14.04.230, to the extent said revenues are derived from rates charged for sanitary sewer service for flows above 2.88 million gallons per day. In the event this provision is determined unenforceable for any reason, it shall not affect the validity of the tax or any other provision.
- F. Upon the stormwater utility of the City a tax in the amount of 28.9 percent of the total gross income proceeding or accruing from discharges into the City's surface water drainage system.
- a. 1.5 percent of the tax collected under this section shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City, which are the City's capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.
  - b. 7.4 percent of the tax collected under this section shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.
- G. Upon all persons engaging in or carrying on a business of providing solid waste collection services, a tax equal to 28.9 percent of the total gross income from such business in the City during the tax year as described in subsection G(1) of this section.
1. In computing the tax provided in this subsection G, the taxpayer may deduct from total gross income the following items:
    - a. The actual amount of credit losses and uncollectibles sustained by the taxpayer.
    - ii. Any amount collected for services other than the collection of "solid waste" as defined in VMC 5.10.020, including, but not limited to, pass through disposal charges.

- iii. Any customer late fees authorized to be charged by the taxpayer.
  - iv. Income derived from transactions in interstate and foreign commerce which the City is prohibited from taxing under the laws and Constitution of the United States.
- 2. 1.5 percent of the tax collected under this section shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City, which are the City's capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.
  - 3. 7.4 percent of the tax collected under this section shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.

Section 7. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.045, and shall read as follows:

**5.10.045 Natural Gas Use Tax Imposed -- Exception**

There is levied and imposed a use tax pursuant to RCW 82.14.230 upon the use in the City of any natural or manufactured gas, which tax is imposed upon the natural gas company by VMC 5.10.040; that is, gas sold and billed to any single customer in excess of twenty five thousand dollars in any monthly period shall be taxed at the rate of .0125 of such excess, and the first twenty five thousand dollars in such billings shall be taxed at six percent, PROVIDED the tax here imposed shall not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid or will pay a tax under RCW 35.21.870 and VMC 5.10.040 with respect to such gas. The City's Director of Financial & Management Services is authorized to enter into a contract for the City with the Washington State Department of Revenue providing for such department to collect the tax imposed under this subsection and to remit the same to the City and to retain a fee currently equal to two percent of the amount collected for its collection services.



Section 8. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.050, and shall read as follows:

**5.10.050 Distribution and Transportation of Natural Gas – Reporting Requirements**

Any person, firm, corporation or municipal corporation which operates in the City any works, plants or facilities for the transportation or distribution of manufactured or natural gas, shall report to the Director the name and address of the seller and the buyer of all manufactured or natural gas which is distributed or transported on such lines but not owned or sold by the entity providing such transportation or distribution services.

Section 9. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.060, and shall read as follows:

**5.10.060 Payment date--Returns**

The following provisions apply to following utilities: Telecommunications Service, Telephone Business, Natural Gas, Electricity, Cable Television, Solid Waste. For purposes of this section, these utilities shall be referred to as “Non-City Utilities.”

- A. Except for Water-Sewer and Stormwater, every utility taxed under VMC 5.10.040, to the extent not already done, shall immediately register with the Director on a form prescribed by the Director.
- B. Except for Water-Sewer and Stormwater, the taxes of every utility taxed under VMC 5.10.040 shall be due and payable as provided in chapter 5.01 VMC.
- C. The tax imposed on the Water-Sewer and Stormwater utilities shall be due and payable in monthly installments and remittance therefore shall be made on or before the close of the monthly financial records in which the tax accrued. On or before the close of the monthly financial records the water-sewer department, or its designee, shall make a calculation of the tax due and payable utilizing a process approved by the Director setting forth such information as may be required by the Director and showing the amount of the tax for which the water-sewer department is liable for the period, and shall transmit the same to the Director together with the remittance for the amount then due and owing.

Section 10. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.070, and shall read as follows:

**5.10.070 Tax in Addition to other license fees or taxes**

The taxes levied under this chapter shall be in addition to any license fee or tax imposed or levied under any law, statute, or ordinance, whether imposed or levied by the City, State, or other governmental entity or political subdivision.

Section 11. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.080, and shall read as follows:

**5.10.080 Provision of annexation ordinances**

Whenever the boundaries of the City are extended by annexation, all persons, firms and corporations subject to this chapter will be provided copies of all annexation ordinances by the City.

Section 12. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.090, and shall read as follows:

**5.10.090 Recordkeeping, Audits, Enforcement, and Appeals**

Recordkeeping, audits, enforcement, and appeals not otherwise provided for under this chapter shall be as provided for under Chapter 5.01 VMC.

Section 13. A new section is enacted and added to chapter 5.10 VMC, to be codified at VMC 5.10.100, and shall read as follows:

**5.10.100 Overpayment of tax**

If, upon application by a taxpayer for a refund or for an audit of the taxpayer's records or upon an examination of the returns or records of any taxpayer, it is determined by the Director that within two years immediately preceding the receipt by the Director of the application by the taxpayer for a refund or for an audit, or, in the absence of such an application, within the two years immediately preceding the commencement by the

Director of such examination, a tax has been paid in excess of that properly due, the excess amount paid within such period of two years shall be credited to the taxpayer's account or shall be refunded to the taxpayer, at their option. No refund or credit shall be allowed with respect to any payment made to the Director more than two years before the date of such application or examination. Where a refund or credit may not be made because of the lapse of said two-year period, the amount of the refund or credit which would otherwise be allowable for the portion of the statutory assessment period preceding the two-year period may be offset against the amount of any tax deficiency which may be determined by the Director for such preceding period.

Section 14. Chapter 5.68 VMC, and specifically VMC 5.68.010, 5.68.020, 5.68.030, 5.68.040, 5.68.050, 5.68.055, 5.68.100, and 5.68.110, are hereby repealed in their entirety:

**Chapter 5.68**  
**~~TELEPHONE BUSINESS FOR HIRE~~**

**~~5.68.010~~ — ~~Purpose.~~**

~~The provisions of this chapter shall be deemed to be an exercise of the power of the city to license for revenue.~~

**~~5.68.020~~ — ~~License required—Transferability—Term.~~**

~~After January 1, 1986, no person, firm or corporation shall engage in or carry on any business, occupation, act or privilege for which a tax is imposed by Section 5.68.030 without first having obtained, and being the holder of, a license so to do, to be known as an occupation license. Each such person, firm or corporation shall promptly apply to the city clerk for such license upon such forms as the clerk shall prescribe giving such information as the clerk deems reasonably necessary to enable said clerk's office to administer and enforce this chapter; and, upon acceptance of such application by the clerk, said clerk shall thereupon issue such license to the applicant. Such occupation license shall be personal and nontransferable and shall be valid as long as the licensee continues in the business and complies with this chapter. (Ord. M-2258 §1, 1981; Ord. M-1038 §2, 1968)~~

**~~5.68.030~~ — ~~Tax levied—Amount.~~**

~~From and after January 1, 1994, there is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the following business within or partly within the corporate limits of the city, a tax for the privilege of so doing business as hereinafter defined:~~

~~A. Upon any telephone business there shall be levied a tax equal to 6.000% of the total gross operating revenues, including revenues from intrastate tolls, derived from the~~

~~operation of such business within the city of Vancouver. "Gross operating revenues" for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by the ordinance codified in this chapter.~~

~~B. "Telephone business" means the business of providing access to a local telephone network, local telephone services, or providing telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. "Telephone business" does not include the providing of competitive telephone service, nor the providing of cable television service. "Competitive telephone service" means the providing by any person of telephone equipment, apparatus or service, other than toll service, which is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80 and for which a separate charge is made. Transmission of communication through cellular telephones is classified as "telephone business" rather than as "competitive telephone business."~~

~~**5.68.040 — Computation of tax.**~~

~~In computing the tax there shall be deducted from the gross operating revenues the following items:~~

- ~~a. The amount of credit losses and uncollectibles actually sustained by taxpayer;~~
- ~~b. Amounts derived from transactions in interstate or foreign commerce or from any business which the city is prohibited from taxing under the Constitutions of the United States or the state of Washington;~~
- ~~c. Amounts derived by the taxpayer from the city of Vancouver.~~

~~**5.68.050 — Due date and payment of tax.**~~

~~The tax imposed by this chapter shall be due and payable in quarterly installments and remittance shall be made on or before the thirtieth day of the month next succeeding the end of the quarterly period in which the tax accrued. Such quarterly periods are as follows:~~

- ~~First quarter — January, February, March;~~
- ~~Second quarter — April, May, June;~~
- ~~Third quarter — July, August, September;~~
- ~~Fourth quarter — October, November, December.~~

~~The first payment made hereunder shall be made by April 30th, for the three month period ending March 31st. On or before said due date the taxpayer shall file with the city~~

~~clerk a written return, upon such form and setting forth such information as the clerk shall reasonably require, together with the payment of the amount of the tax.~~

~~**5.68.055 — Provision of annexation ordinances.**~~

~~Whenever the boundaries of the city of Vancouver are extended by annexation, all persons, firms and corporations subject to Sections 5.68.020 through 5.68.050 will be provided copies of all annexation ordinances by the city of Vancouver.~~

~~**5.68.100 — Enforcement.**~~

~~The city clerk is authorized to adopt, publish and enforce, from time to time, such rules and regulations for the proper administration of this chapter as shall be necessary, and it is a violation of this chapter to violate or to fail to comply with any such rule or regulation lawfully promulgated hereunder.~~

~~**5.68.110 — Recordkeeping, Audits, Enforcement, and Appeals.**~~

~~Recordkeeping, audits, enforcement, and appeals not otherwise provided for under this Chapter shall be as provided for under Chapter 5.87 VMC.~~

Section 15. Chapter 5.88 VMC, and specifically VMC 5.88.010, 5.88.020, 5.88.030, 5.88.035, 5.88.040, 5.88.050, 5.88.075, and 5.88.100, are hereby repealed in their entirety:

~~**Chapter 5.88  
NATURAL GAS COMPANIES**~~

~~**5.88.010 — Purpose.**~~

~~The provisions of this chapter shall be deemed an exercise of the power of the City of Vancouver to license for revenue purposes.~~

~~**5.88.020 — License required.**~~

~~No person, firm, corporation or municipal corporation shall engage in or carry on any business, occupation, act or privilege for which a tax is imposed by Section 5.88.030 without first having obtained, and being the holder of, a license so to do. Each such person, firm, corporation or municipal corporation shall promptly apply to the City Clerk of Vancouver for such license upon such forms as the clerk shall prepare and provide, and the clerk, upon acceptance of such application, shall thereupon issue such license to the applicant. Such license shall be personal and nontransferable and shall be valid as long as the licensee continues in said business and complies with this chapter.~~

**~~5.88.030 — Tax imposed.~~**

~~There is levied and there shall be collected from every person, firm, corporation and municipal corporation which operates in the City of Vancouver works, plants or facilities for the transportation, distribution or sale of manufactured or natural gas and there is levied and there shall be collected from every person, firm, corporation and municipal corporation which sells manufactured or natural gas for use or consumption within the city a tax on the gross revenues derived from the sale and/or transportation of such gas within the city. The rate of such tax shall be as established in Section 5.88.040 of this chapter. This tax shall be additional to any and all payments made pursuant to franchises granted by the City of Vancouver.~~

**~~5.88.035 — Use tax imposed—Exception.~~**

- ~~a. There is imposed a use tax pursuant to RCW 82.14.230 upon the use in the City of Vancouver of any brokered natural or manufactured gas, which tax is imposed upon the natural gas company by Section 5.88.030; that is, gas sold and billed to any single customer in excess of twenty five thousand dollars in any monthly period shall be taxed at the rate of .0125 of such excess, and the first twenty five thousand dollars in such billings shall be taxed at six percent.~~
- ~~b. The tax here imposed shall not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid or will pay a tax under RCW 35.21.870 and Section 5.88.030 with respect to such gas.~~
- ~~c. The city's Director of Financial & Management Services is authorized to enter into a contract for the city with the State of Washington, Department of Revenue, providing for such department to collect such tax and to remit the same to the city and to retain a fee currently equal to two percent of the amount collected for its collection services.~~

**~~5.88.040 — Gross revenues defined—Tax rate.~~**

~~"Gross revenues" means all revenues derived from the sale or the transportation of such gas, but excluding revenues derived from the sale or the transportation of such gas for the purposes of resale and excluding revenues derived from the sale of such gas to the United States, the State of Washington, any school district, port district, City of Vancouver, County of Clark, and the Clark County Public Utility District.~~

~~Gas sold and billed to any single consumer in excess of twenty five thousand dollars in any monthly period shall be taxed at the rate of .0125 of such excess. The first twenty five thousand dollars in such billings shall be taxed at six percent.~~

**~~5.88.050 — Payment date—Returns.~~**

~~The tax imposed shall be due and payable in quarterly installments and remittance therefore shall be made on or before the fifteenth day of the month next succeeding the end of the quarterly period in which the tax accrued. On or before the fifteenth day of such month each person, firm, corporation and municipal corporation subject to this chapter shall make a return upon a form to be supplied by the city setting forth such information as may be required by the city council and showing the amount of the tax for which such taxpayer is liable for the preceding quarterly period, and shall sign and transmit the same to the City Clerk together with a remittance for the amount then due and owing.~~

**~~5.88.075 — Distribution and transportation—Reporting requirements.~~**

~~Any person, firm, corporation or municipal corporation which operates in the city any works, plants or facilities for the transportation or distribution of manufactured or natural gas, shall report to the City Clerk the name and address of the seller and the buyer of all manufactured or natural gas which is distributed or transported on such lines but not owned or sold by the entity providing such transportation or distribution services.~~

**~~5.88.100 — Recordkeeping, Audits, Enforcement, and Appeals.~~**

~~Recordkeeping, audits, enforcement, and appeals not otherwise provided for under this Chapter shall be as provided for under Chapter 5.87 VMC.~~

Section 16. Chapter 5.92 VMC, and specifically VMC 5.92.010, 5.92.020, 5.92.030, and 5.92.040, are hereby repealed in their entirety:

**Chapter 5.92**

**~~WATER-SEWER DEPARTMENT GROSS RECEIPTS TAX~~**

**~~5.92.010 — Tax imposed.~~**

~~There is levied and there shall be collected from the water sewer department of the city of Vancouver a tax in the amount of sixteen percent of revenue proceeding or accruing from the customer accounts in such department pursuant to VMC 14.04.210 and 14.04.230; provided, the tax is not collected from revenue proceeding or accruing by the city from any public sewer district.~~

~~1. The tax imposed under this section shall increase by four percent to twenty percent, effective January 1, 2009.~~

~~2. The tax imposed under this section shall increase by 1.5 percent to 21.5 percent, effective January 1, 2016. This additional 1.5 percent utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the city of Vancouver, which are the city of Vancouver's capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.~~

~~3. In addition to the increase provided for in subsection (2) of this section, the tax imposed under this section shall increase on April 1, 2017, to 24.9 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~4. In addition to the increase provided for in subsection (3) of this section, the tax imposed under this section shall increase on January 1, 2019, by 2.4 percent to 27.3 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~5. In addition to the increase provided for in subsection (4) of this section, the tax imposed under this section shall increase on January 1, 2020, by 1.6 percent to 28.9 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

**5.92.020 — Tax payment.**

~~The tax imposed shall be due and payable in monthly installments and remittance therefore shall be made on or before the close of the monthly financial records in which the tax accrued. On or before the close of the monthly financial records the water sewer department, or its designee, shall make a calculation of the tax due and payable utilizing a process approved by the director of Financial and Management Services setting forth such information as may be required by him and showing the amount of the tax for which the water sewer department is liable for the period, and shall transmit the same to the director of Financial and Management Services together with the remittance for the amount then due and owing.~~

**5.92.030 — Excess payments.**

~~Any money paid to the current expense fund through error and in excess of such tax shall be credited against any tax due or to become due from the water sewer department.~~



**5.92.040 — Exemption.**

~~There may be exempted from the total gross income upon which the gross receipts tax is imposed under VMC 5.92.010 revenues received by the water sewer department derived from an electronics user as defined in VMC 14.04.230, to the extent said revenues are derived from rates charged for sanitary sewer service for flows above 2.88 million gallons per day. In the event this provision is determined unenforceable for any reason, it shall not affect the validity of the tax or any other provision.~~

Section 17. Chapter 5.93 VMC, and specifically VMC 5.93.010 and 5.92.030, are hereby repealed in their entirety:

**Chapter 5.93  
STORMWATER UTILITY TAX**

**5.93.010 — Tax imposed.**

~~There is levied and there shall be collected from the storm water utility of the city of Vancouver a tax in the amount of twenty percent of the revenue proceeding or accruing from discharges into the city's surface water drainage system pursuant to VMC 14.09.060.~~

~~1. The tax imposed under this section shall increase by 1.5 percent to 21.5 percent, effective January 1, 2016. This additional 1.5 percent utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the city of Vancouver, which are the city of Vancouver's capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.~~

~~2. In addition to the increase provided for in subsection (1) of this section, the tax imposed under this section shall increase by 3.4 percent to 24.9 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~3. In addition to the increase provided for in subsection (2) of this section, the tax imposed under this section shall increase on January 1, 2019, by an additional 2.4 percent to 27.3 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~4. In addition to the increase provided for in subsection (3) of this section, the tax imposed under this section shall increase on January 1, 2020, by an additional 1.6 percent to 28.9 percent. The tax imposed under this subsection shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~**5.93.030 — Tax Payment.**~~

~~The tax imposed by this chapter shall be due and payable in monthly installments and remittance therefore shall be made on or before the close of the monthly financial records in which the tax accrued. On or before the close of the monthly financial records the storm water department, or its designee, shall make a calculation of the tax due and payable utilizing a process approved by the City Manager or his designee setting forth such information as may be required by him and showing the amount of the tax for which the storm water department is liable for the period, and shall transmit the same to the City Manager or his designee together with the remittance for the amount then due and owing.~~

Section 18. Chapter 5.94 VMC, and specifically VMC 5.94.010, 5.94.020, 5.94.030, 5.94.040, and 5.94.080, are hereby repealed in their entirety:

~~**Chapter 5.94  
SOLID WASTE UTILITY TAX**~~

~~**5.94.010 — Purpose.**~~

~~The provisions of this chapter shall be deemed to be an exercise of the power of the city to license for revenue. (Ord. M-3896 §1, 2008)~~

~~**5.94.020 — Definitions.**~~

~~The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:~~

~~“Collector” or “collector of solid waste and/or recyclables” means a person, company or contractor with whom or which the city has entered into a contract by which such person or firm collects and removes solid waste and/or recyclables.~~

~~“Person” or “company,” herein used interchangeably, means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation,~~

~~political subdivision of the state of Washington, corporation, limited liability company, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, and the United States or any instrumentality thereof.~~

~~“Solid waste” means garbage, trash, rubbish, or other material discarded as worthless or not economically viable for further use and related services. The term does not include hazardous or toxic waste nor does it include material collected primarily for recycling or salvage—including organics and related services.~~

~~“Solid waste collection service” means receiving solid waste for transfer, processing, treatment, storage, or disposal, including, but not limited to, all collection services under contract with the city.~~

~~“Taxpayer” means that person upon whom the solid waste utility tax is imposed.~~

~~**5.94.030 — Tax imposed.**~~

~~A. In addition to the other business and license fees required by the ordinances of the city, there is levied upon all persons engaging in or carrying on a business of providing solid waste collection services, a tax equal to twenty percent of the gross income from such business in the city during the tax year as described in subsection B of this section.~~

~~1. The tax imposed under this section shall increase by 1.5 percent to 21.5 percent, effective January 1, 2016. This additional 1.5 percent utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the city of Vancouver, which are the city of Vancouver’s capital facilities plan, transportation improvement plan, pavement management plan, and transportation element of the comprehensive plan.~~

~~2. In addition to the increase provided for in subsection (A)(1) of this section the tax imposed under this section shall increase on April 1, 2017, to 24.9 percent. The tax imposed under this subsection (A)(2) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendation dated December 12, 2016.~~

~~3. In addition to the increase provided for in subsection (A)(2) of this section, the tax imposed under this section shall increase on January 1, 2019, by 2.4 percent to 27.3 percent. The tax imposed under this subsection (A)(3) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~4. In addition to the increase provided for in subsection (A)(3) of this section, the tax imposed under this section shall increase on January 1, 2020, by 1.6 percent to 28.9 percent. The tax imposed under this subsection (A)(4) shall be used only for the purpose~~

~~of funding police staffing and associated services in a manner generally consistent with the community resource team recommendations dated December 12, 2016.~~

~~B. In computing the tax provided in subsection A of this section, the taxpayer may deduct from total gross income the following items:~~

~~1. The actual amount of credit losses and uncollectibles sustained by the taxpayer.~~

~~2. Any amount collected for services other than the collection of "solid waste" as defined in VMC 5.94.020, including, but not limited to, pass-through disposal charges.~~

~~3. Any customer late fees authorized to be charged by the taxpayer.~~

~~4. Income derived from transactions in interstate and foreign commerce which the city is prohibited from taxing under the laws and Constitution of the United States.~~

~~**5.94.040 — Tax Payment.**~~

~~The tax imposed shall be due and payable in monthly installments and remittance therefore shall be made on or before the fifteenth day of the month next succeeding the end of the month in which the tax accrued. On or before the fifteenth day of such month the taxpayer shall make a return upon a form to be supplied by the Director of Finance setting forth such information as may be required by him or her and showing the amount of the tax for which the tax payer is liable for the preceding month, and shall sign and transmit the same to the Director of Finance together with the remittance for the amount then due and owing.~~

~~**5.94.080 — Recordkeeping, Audits, Enforcement and Appeals.**~~

~~Recordkeeping, audits, enforcement, and appeals not otherwise provided for under this Chapter shall be as provided for under Chapter 5.87 VMC.~~

Section 19. Chapter 5.96 VMC, and specifically VMC 5.96.010, 5.96.020, 5.96.030, 5.96.040, and 5.96.090, are hereby repealed in their entirety:

**Chapter 5.96  
ELECTRICITY TAX**

~~**5.96.010 — Purpose.**~~

~~The provisions of this chapter shall be deemed an exercise of the power of the City of Vancouver to license for revenue purposes.~~

**5.96.020 — Tax imposed.**

~~There is levied and shall be collected from every person, firm, corporation and municipal corporation, including any public utility district, which operates in the city a plant or system of facilities for the generation, production or distribution of electrical energy for hire or sale and/or for the wheeling of electricity for others, a tax in the amount of six percent of the gross revenue derived from the sale of electricity within the city limits; provided, however, that the tax is levied and shall be collected in the amount of two percent only of gross revenues in excess of twenty five thousand dollars from the sale of electricity to a single consumer in any monthly period; and provided further that commencing January 1, 2006, no tax shall be collected on gross revenues in excess of three hundred thousand dollars from the sale of electricity to a single consumer in any monthly period.~~

**5.96.030 — Gross revenue defined.**

~~“Gross revenue” means the gross value proceeding or accruing from the sale of electricity excluding revenues derived from the sale of electricity for the purposes of resale and excluding revenues from any temporary surcharge imposed on sales in 1982 by Clark County PUD No. 1 for the purpose of mothballing or terminating certain WPPSS projects.~~

**5.96.040 — Registration required—Payment date.**

~~Each person, firm, corporation and municipal corporation subject to the tax imposed by this chapter shall immediately register with the director of Financial and Management Services. The tax imposed by this chapter shall be due and payable in bimonthly installments and remittance therefore shall be made on or before the fifteenth day of the month next succeeding the end of the bimonthly period in which the tax accrued. On or before the fifteenth day of such month, each person, firm, corporation and municipal corporation subject to this chapter shall make a return upon a form to be supplied by the city setting forth such information as may be required by the city commission and showing the amount of the tax for which such taxpayer is liable for the preceding bimonthly period, and shall sign and transmit the same to the director of Financial and Management Services together with a remittance for the amount then due and owing.~~

**5.96.090 — Recordkeeping, Audits, Enforcement and Appeals.**

~~Recordkeeping, audits, enforcement, and appeals not otherwise provided for under this Chapter shall be as provided for under Chapter 5.87 VMC.~~

Section 20. Savings. Those ordinances or parts of ordinances which are amended or repealed by this ordinance shall remain in full force and effect until the effective date of this ordinance.

Section 21. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 22. Referendum. This ordinance is subject to the referendum procedure specified in RCW 35.21.706. A referendum petition may be filed within seven days of the passage of the ordinance with the filing officer of the City, which is hereby designated to be the City Clerk, 415 West 6th Street, Vancouver, Washington. Within ten days of filing the petition, the City Clerk shall confer with the 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 then have thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the City, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. Signed petition forms that are timely submitted to the City Clerk shall be transmitted to the Clark County Auditor who shall verify the sufficiency of the signatures on the petition and report to the City Clerk. If sufficient valid signatures are properly submitted, the City Clerk shall so inform the City Council, which shall submit the referendum measure to the voters at a special election to be held on the next City election date, as provided in RCW 29A.04.330, that occurs not less than forty-five days after the County Auditor's report of sufficiency is received by the City Clerk, unless

a general election will occur within ninety days of receipt of that report, in which event the proposed ordinance will be submitted at the general election. Pursuant to RCW 35.21.706, the referendum procedure in this section is exclusive, and as such this ordinance is not subject to any other referendum or initiative process.

Section 23. Effective date. This ordinance shall become effective on January 1, 2025, unless a timely referendum petition is filed as provided for in the previous section, in which case the effective date of this ordinance shall be suspended until the referendum petition is found to be insufficient under the law or the ordinance is approved by the voters at the election.

DATE OF FINAL PASSAGE at a Regular Meeting of the Vancouver City Council:  
December 2, 2024, 2024.

SIGNED this 2nd day of December, 2024.

DocuSigned by:  
*Anne McEnerny-Ogle*  
6C89D9089EC5424...  
Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:  
*Natasha Ramras*  
493E940414AE4BD...  
Natasha Ramras, City Clerk

Approved as to form:

DocuSigned by:  
*Jonathan Young*  
9A7DC2E31F694A2...  
Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. M- 4477

AN ORDINANCE relating to utility taxes; adding a new chapter 5.10 to the Vancouver Municipal Code; enacting new sections VMC 5.10.010, 5.10.020, 5.10.030, 5.10.040, 5.10.045, 5.10.050, 5.10.060, 5.10.070, 5.10.080, 5.10.090, 5.10.100; repealing VMC sections 5.68.010, 5.68.020, 5.68.030, 5.68.040, 5.68.050, 5.68.055, 5.68.100, 5.68.110, 5.88.010, 5.88.020, 5.88.030, 5.88.035, 5.88.040, 5.88.050, 5.88.075, 5.88.100, 5.92.010, 5.92.020, 5.92.030, 5.92.040, 5.93.010, 5.93.030, 5.94.010, 5.94.020, 5.94.030, 5.94.040, 5.94.080, 5.96.010, 5.96.020, 5.96.030, 5.96.040, 5.96.090; and providing for savings, severability, referendum, and an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via [www.cityofvancouver.us](http://www.cityofvancouver.us) (Go to City Government and Public Records).