

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

ORDINANCE NO. M-4478

AN ORDINANCE relating to admissions taxes; adding a new chapter 5.90 to the Vancouver Municipal Code; enacting new sections VMC 5.90.010, 5.90.020, 5.90.030, 5.90.040, 5.90.050, 5.90.060, 5.90.070, 5.90.080, 5.90.090, 5.90.100; providing for severability and an effective date.

WHEREAS, the City Council is supportive of increasing cultural opportunities in the City of Vancouver and ensuring the redesigned Arts Hub is available to City artisans at a reasonable cost of membership; and

WHEREAS, the City is interested in implementing an admissions tax with tax receipts dedicated to supporting the capital cost of redesign and the subsequent operating costs of the City's Arts and Cultural facilities, such as the Arts Hub facility; and

WHEREAS, RCW 35.21.280 authorizes cities to impose a tax on admission charges of not more than one cent on twenty cents or fraction thereof;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. A new chapter is created in Title 5 of the Vancouver Municipal Code ("VMC"), to be codified as chapter 5.90 VMC, which shall be entitled "Admissions Tax."

Section 2. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.010, and shall read as follows:

5.90.010 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 also apply:

- A. “Admission charge” means the price required or paid for entering a premise or location to view a motion picture exhibition or showing. The term “admission charge” includes upon the total sum of the admission price plus any such surcharge, service charge, mailing fee, or any other ancillary amount paid for the privilege defined herein. The term “admission charge” includes the total sum paid, regardless of whether paid per motion picture exhibition or by way of a subscription service.
- B. “Admission ticket” means documentation, in any form, detailing a transaction in which a person pays an admission charge in exchange for the privilege to enter a motion picture exhibition or showing.
- C. “Department” means the City Department of Financial and Management Services.
- D. “Director” means the City’s Chief Financial Officer.
- E. “Market Price” means the price at which a seller is ready and willing to sell and a buyer is ready and willing to buy. Market price is a price that is acceptable to both buyer and seller and which might be different from the listed price.
- F. “Nonprofit Organization” means an organization in which no part of the income can be distributed to its members, director or officers and that holds a current tax exempt status as provided under Sec. 501(c)(3), (4) or (6) of the Internal Revenue Code of 1986, as amended, or is specifically exempted from the requirement to apply for tax exempt status under Sec. 501(c)(3).
- G. “Person” includes any private corporation, limited liability company, and individual.
- H. “Subscription service” means a fixed sum charged on a periodic basis by a business to a person for the privilege of viewing multiple motion picture exhibits in a given period.

Section 3. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.020, and shall read as follows:

5.90.020 Tax imposed.

- A. An admissions tax in the amount of five percent of the admission charge is levied on every person paying an admission charge.
- B. The tax levied in this chapter shall be paid by the person paying the admission charge and shall be collected and remitted by the person to whom the same is paid in the manner provided for herein.
- C. Provisions of Chapter 5.01 VMC are applicable to this chapter, unless identified otherwise.
- D. It is unlawful for any person to request a donation or contribution that effectively represents an admission charge at any motion picture exhibition or showing unless the event is exempt from the admission tax pursuant to VMC 5.90.030.

Section 4. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.030, and shall read as follows:

5.90.030 Exemptions.

The admissions tax imposed by this chapter shall not apply to:

- A. Any activities produced by an elementary or secondary school;
- B. Any activity or performance sponsored or produced by a non-profit organization furnishing evidence of tax-exempt status under the Internal Revenue Code;
- C. Any theater or venue showing motion pictures that has fewer than two screens.

Section 5. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.040, and shall read as follows:

Section 5.90.040 Form of Admission Ticket.

- A. All admission tickets sold or offered to be sold to any person in the City shall display the name of the place of the ticketed event, the admission charge, and the admissions tax levied by this chapter.
- B. All persons showing motion picture exhibition and showings in the City shall maintain records detailing all admission charges every month. Such records shall be subject to audit as provided in VMC 5.90.050.

Section 6. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.050, and shall read as follows:

Section 5.90.050 Collection and Remittance of Tax.

- A. Any person who receives any payment for any admission charge on which a tax is levied under this chapter shall collect the amount of the tax from the person making the admission payment at the time payment is made. The person receiving payment shall remit the same admission tax to the Director on a monthly basis.
- B. The tax collected under this chapter shall be deemed held in trust by the person required to collect the same until remitted to the Director. Persons failing to collect the admission tax, or who collects the tax but fails to remit the tax to the Director, shall be liable to the City for the amount of such tax plus interest as provided in VMC 5.90.070. Such person shall, unless the remittance is made as required in this section, be guilty of a violation of this chapter whether such failure is the result of his or its own act or the result of acts or conditions beyond his or its control.
- C. Anyone receiving any payment for admissions shall make out a return upon such forms and setting forth such information as the Director may require, showing the amount of the tax upon admissions for which the person is liable for the preceding monthly period, and shall sign and transmit the same to the Director with a remittance for said amount. Failure to comply with any requirement of the Director as to report and remittance of the tax as required shall be a violation of this chapter.
- D. Any person liable for the collection and payment of the tax imposed by this chapter shall keep and preserve for a period of five (5) years all records related to admission charges, to include but not be limited to sold and unsold tickets, books, and records reflecting admissions charges, shall be open for examination and audit at all reasonable

times by the Director or the Director's duly authorized agent. Only upon receipt of written permission granted by the Director, the person liable for the collection and payment of the tax imposed by this chapter may destroy unused tickets prior to the expiration of the five (5) year period.

Section 7. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.060, and shall read as follows:

Section 5.90.060 City Business and Special Licenses.

Any person operating any premise or location showing a motion picture for which an admission charge is made shall, prior to the commencement of such activity, hold a valid City business license in accordance with Chapter 5.04 VMC and a valid City special license in accordance with Chapter 5.54 VMC, and provide to City proof of holding said valid licenses upon request by the City.

Section 8. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.070, and shall read as follows:

Section 5.90.070 Interest and Penalty.

- A. Should a person fail to pay the tax due under this chapter in the time prescribed, said person shall become liable for interest on the tax due at the rate of one percent per month.
- B. Should a person fail to pay the tax due within thirty days after it is due, said person shall become liable for a penalty of ten percent of the amount of the tax due, in addition to the interest provided for in subsection (A) of this section.
- C. Should a person fail to pay a required admissions tax, the Director shall make a determination of the amount of tax due from such person based on the information that is available and notify such person of the amount of tax so determined, along with interest and penalties, and direct such person to remit such amount within ten days from the date of the notice.

Section 9. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.080, and shall read as follows:

Section 5.90.080 Use of Proceeds

All funds collected from the admissions tax provided for in this chapter shall be used to fund the redesign project of the Arts Hub and the subsequent operating expenses therefor.

Section 10. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.090, and shall read as follows:

Section 5.90.090 Rules and Regulations.

The Director or designee may adopt and promulgate rules to implement and enforce this chapter, which rules shall not be in conflict with this chapter; provided, however, that any rules enacted in accordance with this section shall not become effective until the close of a two-week public comment period. A copy of such proposed and final rules shall be placed on file for public examination in the Director's office and on the City's website.

Section 11. A new section is enacted and added to chapter 5.90 VMC, to be codified as VMC 5.90.100, and shall read as follows:

Section 5.90.100 Violations and Penalty.

Any person willfully violating or willfully failing to comply with any provision of this chapter is guilty of a misdemeanor and, upon conviction thereof, shall be punished as prescribed in VMC 7.00.010(M).

Section 12. 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 13. This ordinance shall become effective January 1, 2025.

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
6G89D9089EG5424...
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

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