

**CITY OF MAPLE VALLEY, WASHINGTON**

**ORDINANCE O-16-594**

AN ORDINANCE OF THE CITY OF MAPLE VALLEY, WASHINGTON, ADOPTING A NEW CHAPTER 3.40 ENTITLED "LEASEHOLD EXCISE TAX"; IMPOSING A LEASEHOLD EXCISE TAX; AUTHORIZING A CONTRACT WITH THE WASHINGTON DEPARTMENT OF REVENUE FOR THE ADMINISTRATION AND COLLECTION OF THE TAX; ESTABLISHING PENALTIES FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the State of Washington through RCW Chapter 82.29A recognizes that properties of the State, County, cities, school districts and other municipal corporations are exempt from taxation pursuant to the State Constitution but that private lessees of such public property receive benefit from governmental services; and

WHEREAS, King County presently imposes a leasehold excise tax on leases of publicly owned real and personal property which is collected from residents and businesses of, and from leaseholds located within the City; and

WHEREAS, the leasehold excise tax is designed to compensate governmental units for providing services to lessees of publicly owned property who are not obligated to pay State or local property tax; and

WHEREAS, the legislative body of any city is authorized to levy and collect a leasehold excise tax on the act or privilege of occupying or using publicly owned real or personal property through a leasehold interest in publicly owned property within the territorial limits of such city; and

WHEREAS, the tax levied by a city pursuant to RCW 82.29A shall not to exceed four percent; and

WHEREAS, any city tax imposed shall be deemed to be a credit against the County tax and thereby obtain a local share of existing taxes; and

WHEREAS, the department of revenue shall perform the collection of such taxes on behalf of the city;

WHEREAS, the imposition of the leasehold excise tax will not result in an increase in tax payable by lessees of public property but will transfer revenues from King County to the City as compensation for the provision of City services;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAPLE VALLEY, WASHINGTON, DO ORDAIN AS FOLLOWS:

**Section 1.** A new chapter 3.40 entitled “Leasehold Excise Tax” is hereby added to the Maple Valley Municipal Code to read as follows:

**CHAPTER 3.40  
LEASEHOLD EXCISE TAX**

- 3.40.010 Imposition of Leasehold Excise Tax**
- 3.40.020 Rate of Leasehold Excise Tax**
- 3.40.030 Exemptions**
- 3.40.040 Administration and Collection**
- 3.40.050 Inspection of Records**
- 3.40.060 Contract with Department of Revenue**
- 3.40.070 Adoption of Other Laws**
- 3.40.080 Penalty**

**3.40.010 Imposition of Leasehold Excise Tax**

There is hereby levied and shall be collected a leasehold excise tax on and after the effective date of this ordinance upon the act or privilege of occupying or using publicly owned real or personal property within the City of Maple Valley through a leasehold interest as the same is defined by RCW Chapter 82.29A. The tax shall be paid, collected, and remitted to the Department of Revenue of the State of Washington at the time and in the manner prescribed by RCW Chapter 82.29A.

**3.40.020 Rate of Leasehold Excise Tax**

The rate of tax imposed by Section 3.40.010 shall be four percent (4%) of the taxable rent, as the same is defined by RCW Chapter 82.29A.

**3.40.030 Exemptions**

Leasehold interests exempted by RCW 82.29A.130, as it now exists or may hereafter be amended, shall be exempt from the tax imposed pursuant to Section 3.40.030 of this chapter.

**3.40.040 Administration and Collection**

The administration and collection of the tax imposed by this ordinance shall be in accordance with the provisions of RCW Chapter 82.29A.

**3.40.050 Inspection of Records**

The City consents to the inspection of such records as are necessary to qualify the City for inspection of records of the Department of Revenue pursuant to RCW 82.32.330.

**3.40.060 Contract with Department of Revenue**

The City Manager is hereby authorized to execute a contract with the Department of Revenue with the State of Washington for the administration and collection of the tax imposed by Section 3.40.010, provided that the City Attorney shall first approve the form and content of said contract.

**3.40.070 Adoption of Other Laws**

Pursuant to RCW 35A.11.020 and 35A.21.160, the City adopts by reference the State leasehold excise tax laws, RCW Chapter 82.29A and the State leasehold excise tax rules found at WAC Chapter 458-29A which are incorporated by this reference as presently written or hereafter amended as the excise tax laws and rules of the City of Maple Valley.

**3.40.080 Penalty**

It is unlawful for any person to fail or refuse to pay the leasehold excise tax imposed under this ordinance. Any person violating any provision of this ordinance shall be guilty of a misdemeanor and upon conviction shall be punished according to State law and/or City ordinance.

**Section 2.** 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 3.** Effective Date. A summary of this ordinance shall be published in the official newspaper of the City, and this ordinance shall take effect and be in full force five days after adoption and publication pursuant to RCW 35A.13.190.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MAPLE VALLEY,  
WASHINGTON ON THIS 25<sup>th</sup> DAY OF APRIL 2016.

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Sean P. Kelly, Mayor

ATTEST:

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Shaunna Lee-Rice, City Clerk

APPROVED AS TO FORM:

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Patricia Taraday, City Attorney

Date of Publication: May 17, 2016

Effective Date: May 22, 2016