AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING SUBSECTIONS 5.44.050(a), (b), AND (c) OF THE REDMOND MUNICIPAL CODE IN ORDER TO INCREASE THE TAX RATE ON TELEPHONE BUSINESS, ELECTRIC LIGHT AND POWER AND NATURAL OR MANUFACTURED GAS SERVICES FROM FIVE AND ONE-HALF PERCENT (5.5%) TO FIVE AND EIGHT-TENTHS PERCENT (5.8%), AND AMENDING THE DEFINITION OF TELEPHONE BUSINESS IN SUBSECTION 5.44.020(E) OF THE REDMOND MUNICIPAL CODE.

WHEREAS, in reviewing and acting upon the city's 2005-2006 budget, the City Council has decided to increase the telephone, electric and gas utility tax rate to five and eight-tenths percent (5.8%);

NOW, THEREFORE.

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Increase of Tax Rate on Telephone Business, Electric Light and Power and Natural or Manufactured Gas. Subsection 5.44.050(a), (b), and (c) of the Redmond Municipal Code are hereby amended to increase the tax rate on the furnishing of telephone business, electric light and power and natural or manufactured gas within the city from five and one-half percent (5.5%) to five and eight-tenths percent (5.8%) and to read as follows:

- (a) Telephone Business. Upon every person engaged in or carrying on any telephone business within the city, a fee or tax equal to five and eight-tenths percent of the total gross income, including revenues from intrastate long distance toll service, from such business in the city during the current calendar year for which a license is required.
- (b) Electric Light and Power. Upon every person engaged in or carrying on the business of furnishing electric light and power within the city, a fee or tax equal to five and eight-tenths percent of the total gross income from such

business in the city during the current calendar year for which a license is required.

(c) Natural or Manufactured Gas. Upon every person engaged in or carrying on the business of transmitting, distributing, selling and furnishing natural and/or manufactured gas, a tax equal to five and eight-tenths percent of the total gross income from such business derived from the sale of gas within the city during the calendar year for which a license is required.

Section 2. Telephone Business Defined. Subsection 5.44.020(e) of the Redmond Municipal Code is hereby amended to read as follows:

(e) "Telephone business" means the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. It also includes the provision of transmission to and from the site of an internet provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. Telephone business does not include the providing of competitive telephone service, the providing of cable television service, the providing of broadcast services by radio or television stations, nor the provision of internet service as defined in RCW 82.04.297, including the reception of dial-in connection, provided at the site of the internet service provider."

Section 3. This ordinance, being the exercise of the legislative authority's taxing power, is not subject to referendum. Pursuant to RCW 35.21.865, this ordinance shall take effect and be in full force on February 1, 2005, and shall apply to all gross income of persons engaged in or carrying on the business of furnishing telephone, electric light and power, and natural or manufactured gas derived from business activities conducted on or after such date. The City Clerk is directed to publish an approved summary of this ordinance, consisting of the title, in the City's official newspaper at least five (5) days prior to the effective date.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

Bonne Welten

CITY CLERK, BONNIE MATTSON

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

BY:

FILED WITH THE CITY CLERK!
PASSED BY THE CITY COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.: 2239

November 24, 2004

November 30, 2004

December 6, 2004

February 1, 2005