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Rev. 12/8/95jeh

Admissions Tax
Exemptions

ORDINANCE NO. 1866

ORIGINAL

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, ADDING NEW SUBSECTIONS 3.28.010(T), (J) AND (K) TO THE REDMOND MUNICIPAL CODE TO DEFINE CITY SPONSORED EVENTS, CITY CO-SPONSORED EVENTS AND NON-PROFIT ORGANIZATIONS FOR ADMISSIONS TAX PURPOSES, AMENDING SECTION 3.28.020 IN ORDER TO SPECIFY THAT CERTIFICATES OF REGISTRATION ARE TO BE FILED WITH THE CITY CLERK, AND AMENDING SECTION 3.28.050 TO ESTABLISH AN EXEMPTION FOR ACTIVITIES OF CERTAIN NON-PROFIT ORGANIZATIONS.

WHEREAS, Section 3.28.010 of the Redmond Municipal Code gives the definitions for terms under the Admissions Tax Code, and

WHEREAS, the City Council wishes to clearly define the terms "city sponsored events," "city co-sponsored events," and "non-profit organization" for purposes of the Admissions Tax Code and the exemptions therein, and

WHEREAS, the City Council wishes to clarify the requirements for filing a certificate of registration for admissions tax purposes, and

WHEREAS, Section 3.28.050 of the Redmond Municipal Code lists the entities which are exempt from payment of the admissions tax, and

WHEREAS, the City Council desires to amend the exemptions in order to include certain non-profit organizations as being exempt from the admissions tax, NOW, THEREFORE,

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

Section 1. Definitions Added. New Subsections 3.28.010(I), (J) and (K) are hereby added to the Redmond Municipal Code to read as follows:

- I. "City sponsored event" means any program or event provided by City of Redmond departments.
- J. "City co-sponsored event" means an event which benefits the community and for which the City of Redmond and another entity share jointly the expenses and responsibilities of providing the event. For an event to be co-sponsored by the City, there must be a formal written agreement entered into between the City and the other entity or entities sponsoring the event in which the City agrees to the co-sponsorship. A lease agreement from the City to another entity does not constitute co-sponsorship unless the lease specifically provides that it does.
- K. "Non-profit organization" means an organization, corporation, or association organized and operated for the advancement, appreciation, public exhibition or performance, preservation, study and/or teaching of the performing arts, visual arts, history, science, or a public charity providing social or human services or public education and which is currently recognized by the United States of America as exempt from federal income taxation pursuant to Section 501(c)(1) or (3) of the Internal Revenue Code, as now existing or hereafter amended.

Section 2. Certificate of Registration. The first paragraph of Section 3.28.020 of the Redmond Municipal Code is hereby amended to read as follows:

Every person, firm or corporation, prior to conducting or operating any event, or place of entrance, to which an admission charge is made, shall complete a certificate of registration and file the same with the City Clerk. The certificate of registration shall continue to be valid until December 31 of the same year in which it was issued. A list of admission charges for all events must accompany the certificate of registration. The application for

certificate of registration, or a duplicate of it, shall be posted in the ticket office or box office where tickets or admission are sold.

Section 3. Exemptions. Section 3.28.050 of the Redmond Municipal Code is hereby amended to read as follows:

3.28.050 Exemptions. The following activities are exempt for the provisions of this Chapter:

- A. Activities of elementary and secondary schools;
- B. Activities of churches and religious organizations;
- C. Government activities;
- D. City sponsored and City co-sponsored events, provided, that for profit activities conducted in conjunction with such an event shall not be exempt;
- E. Activities of non-profit organizations, as defined in Section 3.28.010(K), provided that all of the following requirements are met:
 - 1) The non-profit organization:
 - a) Publicly sponsors and through its members, representatives or personnel, promotes, and publicizes the event; or
 - b) Publicly sponsors and:
 - i) Performs a major portion of the performance; or
 - ii) Supplies a major portion of the materials on exhibit; or
 - iii) When the event is part of a season or series of performances or exhibitions, performs the major portion of the performances or exhibitions in the season or series or

supplies a major portion of the materials on exhibit.

- 2) The non-profit organization receives the use and benefit of the admission charges collected.
- 3) The proceeds from any single event sponsored by the non-profit organization do not exceed \$100,000.
- 4) The event for which the exemption is claimed cannot be one for which a non-profit organization lends its name as an endorsement to an ineligible person or organization for the purpose of invoking the exemption.
- 5) The non-profit organization must be registered with the City Clerk's Office as provided in Section 3.28.020 and must provide a copy of its incorporation approval by the state of Washington and any other proof deemed reasonably necessary by the City Clerk to verify that the organization meets the definition of non-profit organization established by this Chapter.

Section 4. 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 5. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

CITY OF REDMOND

MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:

Bonnie Mattson
CITY CLERK, BONNIE MATTSON

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

By [Signature]

FILED WITH THE CITY CLERK:	December 15, 1995
PASSED BY THE CITY COUNCIL:	December 19, 1995
SIGNED BY THE MAYOR:	January 2, 1996
PUBLISHED:	December 27, 1995
EFFECTIVE DATE:	January 1, 1996
ORDINANCE NO. <u>1866</u>	