

CODE

**CITY OF REDMOND
ORDINANCE NO. 2769**

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, ESTABLISHING THE RATE OF THE BUSINESS AND OCCUPATION TAX ON CABLE SERVICES, AMENDING SECTIONS 5.44.020 AND 5.44.050 OF THE REDMOND MUNICIPAL CODE; PROVIDING FOR REFERENDUM, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Redmond allows the use of its right-of-way by private business; and

WHEREAS, the City must maintain and provide services within those rights-of-way; and

WHEREAS, imposing a tax on cable business will raise the revenues needed to pay for projected costs of providing maintenance services; and

WHEREAS, the City of Redmond already taxes other public utilities at a rate specified in the Municipal Code.

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

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City Code.

Section 2. Amendment of Section. RMC 5.44.020,
Definitions, is hereby amended to read as follows:

5.44.020 Definitions

Unless the context clearly indicates otherwise, the words, phrases and terms used in this chapter shall have the following meanings:

(A) "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 investment of capital in the business engaged in (including rentals, royalties, 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 evidence of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, cost of materials used, labor costs, taxes, interest or discount paid, or any expenses whatsoever, and without any deduction on account of losses. Further deductions and exceptions from gross income upon which the fee or tax described in this chapter is computed are set forth in Section 5.44.100.

(B) "Person or persons" means persons of either sex, firms, co-partnerships, corporations, public

utility districts, municipal corporations or departments thereof, public or private utilities, and other associations, whether acting by themselves or by servants, agents or employees.

(C) "Taxpayer" means any person liable for the license fee or tax imposed by this chapter.

(D) "Tax year or taxable year" means the year commencing January 1st and ending on December 31st, of such year, or in lieu thereof, the taxpayer's fiscal year when permission is obtained from the finance director to use the same as the tax period, or in lieu thereof, commencing December 15th and ending December 14th of the next following calendar year when permission is obtained from the finance director to use the period as the tax year.

(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.

(F) "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus 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.

(G) "Cellular telephone service" means a two-way voice and data telephone/telecommunications system

based in whole or substantially in part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service. The definition of cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes a purpose similar to cellular mobile service.

(H) "Cable Service" means the one-way transmission to subscribers of video programming, or other programming service and subscriber interaction, if any, which is required for selection or use of video programming or other programming service.

Section 3. Amendment of Section. RMC 5.44.050,
Occupations subject - Rate, is hereby amended to read as follows:

5.44.050 Occupations subject - Rate.

(A) There are levied and shall be collected annual license fees and occupation taxes against the persons designated on account of the business

activities, and in the amounts to be determined by the application of the respective rates against gross income as follows:

(1) Telephone Business. Upon every person engaged in or carrying on any telephone business within the city, a fee or tax equal to six 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.

(2) 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 six percent of the total gross income from such business in the city during the current calendar year for which a license is required.

(3) 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 six 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.

(4) Cable Service. Upon every person engaged in or carrying on the business of constructing, operating and maintaining a cable subscriber system or cable modem service for television, radio and other audio-visual electrical signal distribution, a tax equal to three percent of the total gross income from such business derived from the sale of cable services within the City during the calendar year of which a license is required.

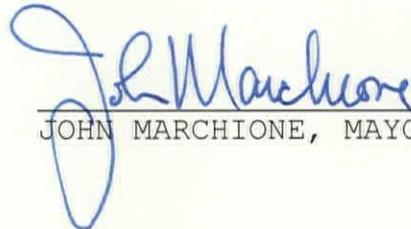
Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance is subject to referendum as set forth in RCW 35.21.706. Any duly qualified person may file a referendum petition with the City Clerk within seven (7) days after the passage of this ordinance. In the event that such a petition is filed, the City Clerk shall, within ten (10) days confer with the petitioner regarding the form and style of the petition, secure an accurate, concise, and positive ballot title from the City Attorney, and assign an

identification number to the petition. Thereafter, the petitioner shall have thirty (30) days within which to gather signatures from not less than 15 percent of the City's registered voters 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. In the event that no referendum petition is filed, this ordinance shall take effect on and after the 1st day January, 2015, and after publication of an approved summary thereof consisting of the title.

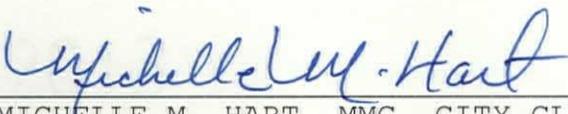
ADOPTED by the Redmond City Council this 2nd day of
December, 2014.

CITY OF REDMOND



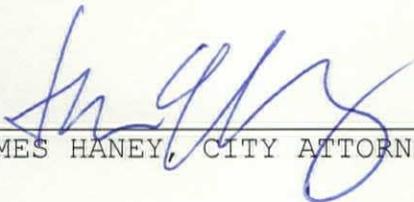
JOHN MARCHIONE, MAYOR

ATTEST:



MICHELLE M. HART, MMC, CITY CLERK (SEAL)

APPROVED AS TO FORM:



JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:	November 18, 2014
PASSED BY THE CITY COUNCIL:	December 2, 2014
SIGNED BY THE MAYOR:	December 4, 2014
PUBLISHED:	December 8, 2014
EFFECTIVE DATE:	December 13, 2014
ORDINANCE NO:	2769

YES: Allen, Carson, Flynn, Margeson, Shutz, Stilin

NO: Myers