

**CITY OF STANWOOD  
WASHINGTON**

**ORDINANCE NO. 1479**

**AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, ADOPTING A NEW CHAPTER 3.36 RELATED TO THE IMPOSITION AND COLLECTION OF A LODGING TAX, CREATING A NEW CITY FUND AND ESTABLISHING AN ADVISORY COMMITTEE; AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, State law allows for the imposition, collection, and disbursement of a lodging tax subject to the terms of Chapters 67.28 and 82.08 RCW for the purpose of tourism promotion; and

**WHEREAS**, the City Finance and Community Development Committees have reviewed and recommended the imposition, collection, and disbursement of a lodging tax; and

**WHEREAS**, the Council reviewed the recommendations of the Finance Committee and the Community Development Committee at their September 26<sup>th</sup>, 2019 regular meeting and desires to impose, collect, and disburse a lodging tax for purposes of tourism promotion;

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

**Section 1.** Title 3 – Revenue and Finance – of the Stanwood Municipal Code is hereby amended to add a new chapter 3.36 entitled “Lodging Tax” to read as follows:

**Chapter 3.36 LODGING TAX**

Sections:

3.36.010 RCW 67.28.180 tax levied – Amount.

3.36.030 Definitions.

3.36.040 Tax deemed in addition to license fee or other taxes.

3.36.050 Fund created – Use of funds.

3.36.055 Lodging Tax Advisory Committee.

3.36.060 Administration and collection.

### **3.36.010 RCW 67.28.180 tax levied – Amount.**

There is hereby created a special excise tax of seven percent on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapters 67.28 and 82.08 RCW. Of this tax, two percent is assessed pursuant to the terms of RCW 67.28.180, two percent is assessed pursuant to the terms of RCW 67.28.181(1) and three percent is assessed pursuant to the terms of RCW 67.28.181(2). The tax imposed under this section applies to the sale of or charge made for the furnishing of lodging by a hotel, motel, rooming house, tourist court, or trailer camp, and the granting of any similar license to use real property as distinguished from the renting or leasing of real property. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same

### **3.36.030 Definitions.**

The definitions in RCW 82.08.010 are adopted and apply throughout this chapter unless the context clearly requires otherwise.

### **3.36.040 Tax deemed in addition to license fee or other taxes.**

The taxes levied herein shall be in addition to any license fee or any tax imposed or levied under any law or any other ordinance of the City; provided, however, that pursuant to Chapter 67.28 RCW, such tax shall be deducted from the amount of tax the seller would otherwise be required to collect and to pay to the State Tax Commission under the provisions of Chapter 82.08 RCW.

### **3.36.050 Fund created – Use of funds.**

There is created a special revenue fund 115 – Tourism Promotion Fund in the City and all taxes collected under this chapter shall be placed in this fund to be used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW, as now or hereafter amended.

### **3.36.055 Lodging Tax Advisory Committee.**

A. There is hereby created a Lodging Tax Advisory Committee which shall be composed as follows:

1. At least five members, appointed by the legislative body of the municipality, unless the municipality has a charter providing for a different appointment authority. The Committee membership shall include:

a. At least two members who are representatives of businesses required to collect tax under this chapter; and

b. At least two members who are persons involved in activities authorized to be funded by revenue received under this chapter.

Persons who are eligible for appointment under subsection (A)(1)(a) of this section are not eligible for appointment under subsection (A)(1)(b) of this section. Persons who are eligible for appointment under subsection (A)(1)(b) of this section are not eligible for appointment under subsection (A)(1)(a) of this section. Organizations representing businesses required to collect tax under this chapter, organizations involved in activities authorized to be funded by revenue received under this chapter, and local agencies involved in tourism promotion may submit recommendations for membership on the Committee. The number of members who are representatives of businesses required to collect tax under this chapter shall equal the number of members who are involved in activities authorized to be funded by revenue received under this chapter. One member shall be an elected official of the municipality who shall serve as chair of the Committee. An advisory committee for a city or town may include one nonvoting member who is an elected official of the county in which the city or town is located. The appointing authority shall review the membership of the Advisory Committee annually and make changes as appropriate.

2. Any proposals for the imposition or expenditure of hotel-motel/lodging tax funds, whether it involves the imposition of a tax, an increase in the rate of a tax, repeal of an exemption from a tax, or a change in the use of revenue received, shall be submitted to the Lodging Tax Advisory Committee for review and comment. The submission shall occur at least 45 days before final action on or passage of the proposal by the municipality. The Advisory Committee shall submit comments on the proposal in a timely manner through generally applicable public comment procedures. The comments shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-term stability of the fund created under RCW 67.28.1815. Failure of the Advisory Committee to submit comments before final action on or passage of the proposal shall not prevent the municipality from acting on the proposal. A municipality is not required to submit an amended proposal to an Advisory Committee under this section

### **3.36.060 Administration and collection.**

For the purpose of the taxes levied herein pursuant to this chapter:

A. The Department of Revenue of the state is designated as the agent of the City for the purpose of collection and administration;

B. The administrative provisions contained in RCW 82.08.050 through 82.08.070, and as contained in Chapter 82.32 RCW, shall apply with respect to the administration and collection by said Department;

C. All rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW, are adopted;

D. The Department of Revenue is authorized to prescribe and utilize such special forms and procedures as the Department may deem necessary and appropriate.

**Section 2. Severability.** The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

**Section 3. Effective Date.** This Ordinance shall take effect from and after five (5) days after its passage and publication as required by law.

**PASSED AND APPROVED** by the Stanwood City Council this 24 day of October 2019.

CITY OF STANWOOD

  
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Leonard Kelley, Mayor

ATTEST:

By:   
\_\_\_\_\_  
David Hammond, City Clerk

APPROVED AS TO FORM:

By:   
\_\_\_\_\_  
Grant Weed, City Attorney

Date of Publication: 11-5-19  
Effective Date: 11-10-19