

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 103**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON IMPOSING A
LEASEHOLD EXCISE TAX TO OBTAIN THE LOCAL SHARE OF EXISTING TAXES
COLLECTED BY THE STATE AND SPOKANE COUNTY AND PROVIDING FOR
OTHER MATTERS PROPERLY RELATED THERETO.**

WHEREAS, the State of Washington through RCW Chapter 82.29A recognizes that properties of the State, County, 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;

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;

WHEREAS, Spokane County through Chapter 7.36 of the Spokane County Code imposes a leasehold excise tax upon the occupancy of publicly owned real property in an amount of six percent of the taxable rent payable by lessee;

WHEREAS, the City is authorized to levy a leasehold excise tax not to exceed four percent, with the City tax deemed to be a credit against the County tax and thereby obtain a local share of existing taxes; and

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 Spokane County to the City as compensation for the provision of City services.

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. **Leasehold Excise Tax.** There is levied and shall be collected a leasehold excise tax on the act or privilege of occupying or using publicly owned real or personal property through a "leasehold interest" as that term as defined in RCW 82.29A.020. The leasehold excise tax shall be imposed upon and collected from those persons holding a leasehold interest within the City on public owned property who are required to pay a leasehold excise tax to the State Department of Revenue pursuant to RCW Chapter 82.29A.

Section 2. **Rate of Leasehold Excise Tax.** The City imposes a leasehold excise tax in the amount of four percent of the taxable rent, as that term is defined in RCW 82.29A.020 less any allowable credits in RCW 82.29A.120.

Section 3. **Exemptions.** The City exempts certain leasehold interests from this ordinance pursuant to RCW 82.29A.130, RCW 82.29A.134, RCW 82.29A.135 and RCW 82.29A.136.

Section 4. **Administration and Collection.** The City Clerk/Treasurer is authorized and directed to contact the Washington State Department of Revenue to administer and collect the tax in accordance with RCW 82.29A.080. The Mayor is authorized to enter into a contract

with the State Department of Revenue for the administration, collection and disbursement of the taxes imposed herein, pursuant to RCW 82.29A.080. A copy of the contract shall be maintained on file in the office of the City Clerk.

The City Clerk is further directed to transmit a certified copy of this ordinance to the Clerk of the Board for Spokane County, the Washington State Office of Financial Management and the Department of Revenue.

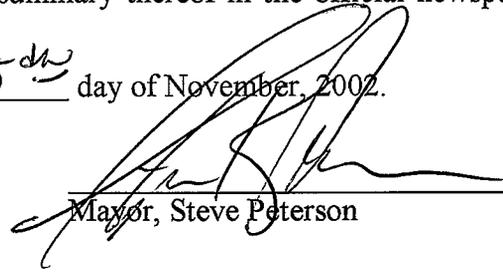
Section 5. Adoption of Other Laws. Pursuant to RCW 35A.11.020 and 35A.21.160, the City adopts by reference the State leasehold excise tax laws, RCW Chapter 82.29A and the State leasehold excise tax rules found at WAC Chapter 458-29A which are incorporated by this reference as presently written or hereafter amended as the excise tax laws and rules of the City of Liberty Lake.

Section 6. 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.

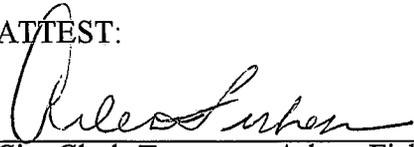
Section 7. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not effect the validity or unconstitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 8. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of this Ordinance or a summary thereof in the official newspaper of the City as provided by law.

PASSED by the City Council this 5th day of November, 2002.



Mayor, Steve Peterson

ATTEST:


City Clerk-Treasurer, Arlene Fisher

APPROVED AS TO FORM:


City Attorney, Stanley M. Schwartz
Date of Publication: 11/8/02
Effective Date: 11/13/02