

ORDINANCE NO. 730

**AN ORDINANCE OF THE LAKEWOOD CITY COUNCIL RELATING TO LOCAL SALES OR
USE TAXES AND AUTHORIZING 0.1% SALES OR USE TAX FOR CHEMICAL DEPENDENCY OR
MENTAL HEALTH TREATMENT SERVICES OR THERAPEUTIC COURTS**

FINDINGS

WHEREAS, RCW 82.14.460 provides that any city with a population over 30,000 located in a county with a population over 800,000 may authorize, fix, and impose a sales and use tax for chemical dependency or mental health treatment services or therapeutic courts, so long as the county has not previously imposed such a tax; and

WHEREAS, RCW 82.14.460 further provides that revenue received through the tax must be used to fund programs that operate or deliver programs and services related to chemical dependency, mental health, and therapeutic courts, including, but not limited to, treatment services, case management, and housing; and

WHEREAS, RCW 82.14.460 further provides that, in any city with a population over 30,000, up to fifty percent (50%) of the revenue received through the tax may be used to supplant existing funding for up to the first three calendar years following adoption; and up to twenty-five percent may be used to supplant existing funding for the fourth and fifth years after adoption; and

WHEREAS, those struggling with mental health and chemical dependency issues in Lakewood are underserved in terms of programs and services; and

WHEREAS the proposed amendments to Chapter 3.24 Lakewood Municipal Code (LMC) will establish the new Sections 3.24.025 and 3.24.026 LMC that impose an additional retail sales tax of one-tenth of one percent (0.1%), effective July 1, 2020, to address unmet

community needs and fund programs and services in the City related to mental health, chemical dependency, and therapeutic courts; and

WHEREAS, pursuant to RCW 82.14.460, the City intends to use a portion of the revenue to supplant existing funding for such programs and services with revenue received through the proposed tax, including the Behavioral Health Contact Team (BHCT), to protect these vital services from existing financial constraints; and

WHEREAS, the City Council will establish a process which will be used to develop Lakewood's strategies, priorities, and objectives for the use of the proposed tax; and

WHEREAS, the City Council further intends to enact future legislation establishing the process by which the programs related to mental health, chemical dependency, and therapeutic courts would be implemented with revenue received through the proposed tax; and

WHEREAS, this signed ordinance must be provided to the State of Washington, Department of Revenue by March 15, 2020, in order for the sales tax increase to be implemented by the beginning of the 3rd quarter of 2020 (July 1, 2020); and

WHEREAS, the proposed amendments have been discussed and reviewed at the February 24, 2020 City Council meeting; and

WHEREAS, the existing and to-be-identified programs and services in the City related to mental health, chemical dependency, and therapeutic courts having been identified as funding priorities, the set of proposed changes to the local option taxes is now identified as a prudent potential revenue source;

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

Section 1. Adoption of City Council Findings. The Findings of the City Council are adopted as part of this Ordinance.

Section 2. New Sections 3.24.025 and 3.24.026 of the Lakewood Municipal Code, "Sales Tax," are hereby adopted as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 3. The City Manager is hereby requested to contract with the Washington State Department of Revenue to collect the local sales and use tax established by Chapter 338, Laws of 2019 and this Ordinance.

Section 4. City departments are requested to take all necessary steps to implement this Ordinance as soon as possible in accordance with RCW 82.14.055. The City Clerk shall forthwith transmit a copy of this adopted Ordinance to the Washington State Department of Revenue.

Section 5. The City Manager is hereby requested to report annually to the Department of Commerce on the collection and use of the revenues received as provided in Chapter 338, Laws of 2019.

Section 6. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 7. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after final passage.

Section 2. Upon Pierce County's adoption of the MHCD 1% tax, new Sections 3.24.025 and 3.24.026 of the Lakewood Municipal Code, "Sales Tax," are hereby authorized to be adopted as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 3. The City Manager is hereby requested to contract with the Washington State Department of Revenue to collect the local sales and use tax established by Chapter 338, Laws of 2019 and this Ordinance.

Section 4. City departments are requested to take all necessary steps to implement this Ordinance as soon as possible in accordance with RCW 82.14.055. The City Clerk shall forthwith transmit a copy of this adopted Ordinance to the Washington State Department of Revenue.


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Section 7. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after final passage.

ADOPTED by the City Council of the City of Lakewood this 2nd day of March, 2020.

CITY OF LAKEWOOD

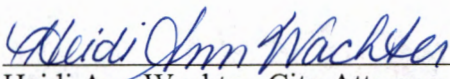


Don Anderson, Mayor

Attest:

Briana Schumacher, City Clerk

Approved as to Form:



Heidi Ann Wachter, City Attorney

DUE TO LACK OF MOTION THE ORDINANCE DIED.
March 2, 2020.

EXHIBIT "A"
Chapter 3.24
SALES TAX

- 3.24.010 Imposition of sales and use tax as authorized by RCW 82.14.030(1).
- 3.24.020 Imposition of sales and use tax as authorized by RCW 82.14.030(2).
- 3.25.025 Additional sales or use tax for mental health treatment-Imposition.
- 3.25.026 Additional sales or use tax for mental health treatment-Rate.
- 3.24.030 Administration – Collection.
- 3.24.040 Inspection of records – Agreement with Department of Revenue.
- 3.24.050 Subject to referendum.
- 3.24.060 Penalty.

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3.24.025 Additional sales or use tax for mental health and chemical dependency treatment or therapeutic courts - Imposition.

There is hereby imposed an additional sales or use tax, as the case may be, separate and apart from the tax referred to in Sections 3.24.010 and .020, as authorized by RCW 82.14.460(1)(b), upon every taxable event as defined in RCW 82.14.020, occurring within the City. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to RCW 82.08 and 82.12. Moneys collected under this subchapter must be used solely, as required by RCW 82.14.460(3) and as hereinafter amended for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services.

3.24.026 Additional sales or use tax for mental health and chemical dependency treatment or therapeutic courts - Rate.

The rate of the tax imposed by Section 3.24.025 of this chapter shall be one-tenth of one percent (0.1%) of the selling price or value of the article used, as the case may be.

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