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ORDINANCE NO. 177

AN ORDINANCE OF THE CITY OF WOODINVILLE, WASHINGTON, ADDING A NEW CHAPTER 3.10 TO THE WOODINVILLE MUNICIPAL CODE TO PROVIDE FOR THE LEVY AND COLLECTION OF AN ADMISSION TAX, ESTABLISHING EXCEPTIONS, CREATING A PARK FUND FROM THE COLLECTED ADMISSION TAXES, AMENDING SECTION 5.03.010 OF THE WOODINVILLE MUNICIPAL CODE TO DELETE THE ADOPTION OF CHAPTER 6.68 OF THE KING COUNTY CODE BY REFERENCE, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, RCW 35.21.280 authorizes cities to levy and fix an admission tax of not more than one cent on twenty cents or fraction thereof to be paid by the person who pays an admission charge to any place, and provides exceptions for activities of elementary or secondary schools, and

WHEREAS, the City Council of the City of Woodinville does find that in order to provide revenues for the City an admission tax should be levied in the amount of not more than one cent on twenty cents on admission charges, with the exception of activities of elementary or secondary schools, and nonprofit or charitable organizations, among other things, and

WHEREAS, the City Council desires to create a fund for park capital purposes from the collected admission taxes, NOW, THEREFORE,

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

Section 1. A new Chapter 3.10 entitled "Admissions Tax," is hereby added to the Woodinville Municipal Code to read as follows:

3.10.010 Definitions.

A. Admission Charge. In addition to its usual and ordinary meaning, "admission charge" includes, but is not limited in meaning to:

- (1) A charge made for season tickets or season subscriptions;
- (2) A cover charge, or a charge made for use of seats and tables reserved or otherwise, and other similar accommodations;
- (3) A charge made for food and refreshment in any place where free entertainment, recreation or amusement is provided; however, if the admission charge is separate from the food or refreshment, i.e. if one can be admitted without paying for them, then the admission tax would only apply to that fee actually paid for admission, and not to that fee or charge paid for food or refreshment. Otherwise, the entire amount shall be taxed. This shall also include cover charges to night clubs, lounges, private clubs, or similar places;
- (4) A charge made for rental or use of equipment or facilities for purposes of recreation or amusement; if the rental of the equipment or facilities is necessary to the enjoyment of a privilege for which a general admission is charged, the combined charges shall be considered as the admission charge;
- (5) Automobile parking charges if the amount of the charge is determined according to the number of passengers in the automobile;
- (6) Required "donations";

B. Charitable Organization. An organization exempt from federal taxation under § 501(c)(3) of the Internal Revenue Code.

C. City Sponsored Event. Any program or event provided by City of Woodinville departments.

D. City Co-sponsored Event. An event which benefits the community and for which the City of Woodinville 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.

E. Nonprofit Organization. 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, and registered under Chapter 24.03 RCW.

F. Person. Any individual, receiver, assignee, firm, copartnership, joint venture, corporation, company, joint stock association, society, any group of individuals acting as a unit, whether mutual, cooperative or fraternal, or any nonprofit or not-for-profit corporation or organization as the term "nonprofit" is defined under the statutes of the State of Washington, RCW 82.04.365, .366.

G. Place. A place includes, but is not limited to, movie theaters, museums, dance halls, auditoriums, restaurants, night clubs, lounges, private clubs, athletic pavilions and fields, baseball and athletic parks, swimming pools, circuses, or carnivals; provided, however, the definition of place shall not include any business or establishment located within the Tourist District Overlay, as adopted by Ordinance No. 133, and codified at Section 21.38.065 of the Woodinville Municipal Code.

H. Religious Organization. An organization engaged in the practice of a particular faith or central beliefs.

I. Ticket Sales Outlet. The location of any agency, person, group, etc. that is in charge of distributing, selling, or otherwise managing the sale of tickets and are collecting the fees for such tickets to any of the described events.

J. Transient. Temporary, short-lived, non-permanent or non-lasting.

3.10.015 Tax Levied. There is hereby levied and imposed upon every person, without regard to age, who pays an admission charge to any place as described in Section 3.10.010, a tax of one cent on twenty cents paid for admission.

3.10.020 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 nonprofit organizations, as defined in Section 3.10.010(E), provided that all of the following requirements are met:
 - (1) The nonprofit 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 nonprofit organization receives the use and benefit of the admission charges collected.

(3) The proceeds from any single event sponsored by the nonprofit organization do not exceed \$100,000.

(4) The event for which the exemption is claimed cannot be one for which a nonprofit organization lends its name as an endorsement to an ineligible person or organization for the purpose of invoking the exemption.

(5) The nonprofit organization must be registered with the City Clerk's Office as provided in Section 3.10.050 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 nonprofit organization established by this Chapter.

3.10.025 Collection -- Remittance.

A. The person, firm or corporation receiving payment for admissions on which a tax is levied under this chapter shall collect the amount of the tax imposed from the person making payment for admission, shall hold said tax in trust until the same is remitted to the City Treasurer as herein provided, and shall be personally liable for the amount of such tax if the same is not collected and remitted as herein provided.

B. The tax imposed by this chapter shall be reported and remitted to the City Treasurer quarterly on or before the 30th day of the month next succeeding the quarter of the year in which the tax is collected by the person, firm or corporation collecting the tax. The quarterly returns shall be made on forms provided by the

City Treasurer, separately stating the number of admissions sold, the price of each admission, the amount of tax, and such other information as the City Treasurer may specify. Each return shall be signed and verified by the person making the return.

C. The books, records and accounts of any person, firm or corporation collecting the tax herein levied shall, as to admission charges and tax collections, be at all reasonable times subject to examination and audit by the City Treasurer.

3.10.030 Ticket to Show Amount of Tax. Every admission ticket or card shall separately state and set forth, indelibly printed or written, the price, exclusive of taxes, for which admission is sold and the tax levied under this chapter.

3.10.035 Transient Business Remittance. Whenever any activity which is subject to the tax levied in Section 3.10.020 is of a temporary or transitory nature, of which the City Clerk shall be the judge, the City Clerk may require the return and remittance of the admissions tax immediately upon its collection or at the conclusion of said activities, whichever the City Clerk deems appropriate. An application for a certificate of registration shall be required as noted in Section 3.10.040. For temporary or transient events, the owner, lessee or custodian shall be responsible for payment of this tax if the person conducting the event fails to do so. Failure to comply with any requirement of the City Clerk as to reporting and remittance of the tax as required shall be a violation of this chapter.

3.10.040 Certificate of Registration -- Fee. Every person, firm or corporation, prior to conducting or operating any event or place of entrance, to which an admission charge is made, shall on a form prescribed by the City, complete a certificate of registration and file the same with the City Clerk. The certificate of registration shall continue to be valid until December 31st 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 copy of it, shall be posted in the ticket office or box office where tickets or admission are sold.

3.10.045 Penalty for Late Payment. For each payment due, if such payment is not made by 5:00 p.m. on the due date, there shall be added penalties as follows:

A. One to fifteen days delinquency, ten percent with a minimum penalty of ten dollars;

B. After fifteen days delinquency, fifteen percent with a minimum penalty of ten dollars.

Failure to pay tax is a violation of this chapter and may be punished as such in addition to the late fees imposed.

3.10.050 Penalty. Any person, violating any provision of this chapter shall be guilty of a misdemeanor and shall be punished as set forth in Chapter 1.06 of the Woodinville Municipal Code.

3.10.055 Fund Created. There is hereby created a special fund known as the "Admissions Tax Park Capital Fund" into which all money collected from the tax imposed by Section 3.10.015 shall be deposited.

3.10.060 Fund Purposes - Expenditures. The fund established in Section 3.10.055 has been created for the purpose of accumulating funds for park capital in order to acquire, maintain and improve City parks. The monies deposited into said fund shall be expended only for such purposes and for no other purpose unless otherwise directed by ordinance of the City Council.

3.10.065 Unexpended Funds. Any unexpended funds remaining in the Admissions Tax Park Capital Fund at the end of any budget year shall not be transferred to the General fund or otherwise lapse, rather said unexpended funds shall be carried forward from year to year until expended for the purposes set forth in Section 3.10.060 or as otherwise directed by ordinance of the City Council.

Section 2. Section 5.03.010 of the Woodinville Municipal Code is hereby amended to read as follows:

5.03.010 County Codes Adopted. The City hereby adopts by this reference the following chapters of Title 6 of the King County Code:

KCC	
60.1	General Licensing Provisions
6.04	Amusement Devices

- 6.12 Pool and Billiard Tables
- 6.18 Closing Out Sales
- 6.20 Dances
- 6.28 Go-Cart Tracks
- 6.36 Junk Dealers
- 6.40 Massage Parlors and Public Bath Houses
- 6.48 Music Machines
- 6.52 Outdoor Musical Entertainments, excluding KC
6.52.030
- 6.56 Pawnbrokers
- 6.60 Secondhand Dealers
- 6.76 Charitable Solicitations

Section 3. 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 4. Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after publication.

PASSED by the City Council of the City of Woodinville this 12th day of

May, 1997.

APPROVED:



 MAYOR, ROBERT R. MILLER

ATTEST/AUTHENTICATED:

James Katica

CITY CLERK/TREASURER, JAMES KATICA

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY *Wesley J. ...*

FILED WITH THE CITY CLERK: 5-12-97
PASSED BY THE CITY COUNCIL: 5-12-97
PUBLISHED: 5-19-97
EFFECTIVE DATE: 5-24-97
ORDINANCE NO. 177