

ORDINANCE NO. 2017-12

AN ORDINANCE of the City of Bainbridge Island, Washington, relating to the Civic Improvement Fund and amending Section 3.65.040 of the Bainbridge Island Municipal Code.

WHEREAS, the City of Bainbridge Island (“City”) collects lodging tax revenues within its “Civic Improvement Fund,” as set forth in Section 3.65.040 of the Bainbridge Island Municipal Code (BIMC), and pursuant to the state law lodging tax statute, Chapter 67.28 RCW; and

WHEREAS, Chapter 67.28 RCW has been revised subsequent to the last revision of BIMC 3.65.040, and BIMC 3.65.040 needs to be updated to better align with Chapter 67.28 RCW; and

WHEREAS, BIMC 3.65.040 also currently includes a provision that is designed to encourage the use of lodging tax funds for capital projects, as follows:

No more than one-half of the taxes collected under this chapter shall be used to pay for advertising, publicizing or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion unless an exception is approved by a vote of a majority of all council members plus one more vote.

WHEREAS, for several years this requirement has been difficult to meet and, as a result, the City Council has consistently waived the requirement every year since 2010; and

WHEREAS, in 2013, Chapter 67.28 RCW was revised so that lodging tax revenues that are used to support the operations and capital expenditures of tourism-related facilities can only be used by the City for such facilities owned or operated by a municipality or a public facilities district, and this change in state law further decreases the likelihood that the restriction that has been included in BIMC 3.65.040 related to non-capital expenditures will be met going forward; and

WHEREAS, the updates included herein to BIMC 3.65.040 simplify the reference to Chapter 67.28 RCW and remove the restriction related to a fifty percent limit on non-capital expenditures; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Section 3.65.040 of the Bainbridge Island Municipal Code is hereby amended to read as follows:

3.65.040 Civic improvement fund.

There is created a special fund in the treasury of the city, to be known as the "civic improvement fund." All taxes collected under this chapter shall be placed in the fund ~~(1) to pay for all or any part of the cost of acquisition, construction, or operation of stadium facilities, convention center facilities, performing arts center facilities, and/or visual arts center facilities, or any other such facilities; (2) to pay or secure the payment of all or any portion of the general obligation bonds or revenue bonds issued for such purposes, or and shall be used for purposes provided for in Chapter 67.28 RCW, and any amendments thereto; (3) to pay for advertising, publicizing, or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion; or (4) to pay for such other uses as may from time to time be authorized for the taxes pursuant to statute. No more than one half of the taxes collected under this chapter shall be used to pay for advertising, publicizing or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion unless an exception is approved by a vote of a majority of all council members plus one more vote. Pursuant to Chapter 67.28 RCW, including RCW 67.28.1817, the city council shall appoint a lodging tax advisory committee to advise the city council on the use of the city's civic improvement funds.~~

Section 2. This ordinance shall take effect and be in force five (5) days from its passage and publication as required by law.

PASSED BY THE CITY COUNCIL this _____ day of _____, 2017.

APPROVED BY THE MAYOR this _____ day of _____, 2017.

Val Tollefson, Mayor

ATTEST/AUTHENTICATE:

Christine Brown, City Clerk

FILED WITH THE CITY CLERK:	May 5, 2017
PASSED BY THE CITY COUNCIL:	
PUBLISHED:	
EFFECTIVE DATE:	
ORDINANCE NUMBER:	2017-12