

ORDINANCE NO. 1780

AN ORDINANCE OF THE TOWN OF FRIDAY HARBOR, WASHINGTON, IMPOSING AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT WITHIN THE BOUNDARIES OF THE FRIDAY HARBOR TRANSPORTATION BENEFIT DISTRICT FOR THE PURPOSE OF FINANCING THE COSTS ASSOCIATED WITH TRANSPORTATION IMPROVEMENTS IN THE DISTRICT IDENTIFIED HEREIN AS AUTHORIZED BY RCW 36.73.040; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, by Ordinance No. 1539 on July 17, 2014, the Town Council of Friday Harbor created the Friday Harbor Transportation Benefit District (hereinafter "the District") pursuant to RCW 35.21.225 and Chapter 36.73 RCW and established boundaries for the District which are coterminous with the boundaries of the Town of Friday Harbor; and

WHEREAS, by the general election held on November 4, 2014, the voters approved Proposition 1 authorizing an additional sales and use tax at the rate of two-tenths of one percent (0.2%) pursuant to RCW 82.14.0455 to pay for certain transportation improvements; and

WHEREAS, collection of the (0.2%) sales and use tax authorized by Proposition 1 occurs each April and October beginning year 2015 and ending year 2024 and provides that funds generated by the District shall be used solely for transportation improvements that preserve, maintain and operate the planned and/or existing transportation infrastructure of the Town/District, consistent with the requirements of RCW 36.73; and

WHEREAS, necessary transportation improvement projects are identified in the District Transportation Improvement System Plan, hereinafter "the adopted Town Six-Year Transportation Improvement Plan" or "the Plan"; and

WHEREAS, by Ordinance No. 1581 on November 19, 2015, the Town Council of Friday Harbor assumed the rights, powers, immunities, functions, and obligations of the District, pursuant to Second Engrossed Substitute Senate Bill 5987 (2015), which amended Chapter 36.73 RCW to allow for said assumption; and

WHEREAS, RCW 36.73.040(3)(a) authorizes transportation benefit districts to impose a sales and use tax subject to the provisions of RCW 36.73.065; and

WHEREAS, RCW 36.73.065(4)(a)(v) authorizes transportation benefit districts to impose a sales and use tax in accordance with RCW 82.14.0455 in an amount not exceeding one-tenth of one percent (0.1%) for a period of 10 years upon a majority vote of the governing board of the District for the purpose of financing certain transportation improvements; and

WHEREAS, the Town Council has identified the sales and use tax authorized by RCW 82.14.0455, as well as any other lawful funding sources available to the District pursuant to RCW 36.73.040, as funding sources available to the District; and

WHEREAS, a sales and use tax will be used for the purpose of acquiring, investing in, constructing, improving, providing, operating, preserving, maintaining and/or funding transportation improvements within the District, which are coterminous with boundaries of the Town of Friday Harbor and which are identified in the Town Six-Year Transportation Improvement Program; and

WHEREAS, a sales and use tax will apply to all persons who shop and thereby use streets and public right of way in the Town of Friday Harbor; and

WHEREAS, it is the intent of the Town Council to place on a special or the general election ballot in year 2024 for voter consideration the question of whether the voters renew a sales tax in the amount of two-tenths of a percent (0.2%); and

WHEREAS, the Town Council as the governing board of the District has considered this matter during a duly called public meeting of said Council, has given this matter careful review and consideration, and finds that the best interests of the Town of Friday Harbor and the District will be served by passage of this ordinance;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FRIDAY HARBOR, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The above stated recitals are incorporated by this reference as though fully set forth herein.

Section 2. Addition of 0.1% sales tax. The Town Council as the governing board of the Friday Harbor Transportation Benefit District finds that it is in the best interest of the Town and District to impose a sales and use tax of one-tenth of one percent (0.1%) pursuant to sections 36.73.040(3)(a), 36.73.065(4)(v), and 82.14.0455 of the Revised Code of Washington (RCW) for the purpose of raising revenue to acquire, invest in, construct, improve, provide, operate, preserve, maintain and/or fund transportation improvements in the District, and to impose such sales and use tax. The sales and use tax shall be imposed for a period not exceeding ten (10) years. The tax shall be in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the Friday Harbor Transportation Benefit District which is conterminous with the boundaries of the Town of Friday Harbor.

**Section 3. Description of transportation improvements.** The revenues from a sales and use tax may be used to acquire, invest in, construct, improve, provide, operate, preserve, maintain and/or fund the following described transportation improvements:

- A. Projects identified in the in the Town of Friday Harbor Six-Year Transportation Improvement Program;
- B. Expanded projects identified in accordance with RCW 36.73.160.

The cost of all construction, maintenance, preservation, operation, design, engineering, construction management, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses, and other costs incurred in connection with the foregoing described transportation benefit district projects shall be deemed to be part of the transportation improvements.

**Section 4. Notice to Department of Revenue.** The Clerk is directed to submit this Ordinance to the Washington Department of Revenue (DOR), and to direct DOR to take all steps necessary to immediately implement and collect the tax imposed by this Ordinance.

**Section 5. Severability.** Should any section, paragraph, sentence, clause or phrase of the Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emptions shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

**Section 6. Regulatory Conflicts.** All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.

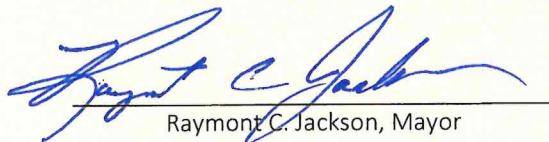
**Section 7. Corrections.** Upon approval of the Town Attorney, the Clerk is authorized to make necessary corrections to this Ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or section/subsection numbers.

**Section 8. Effective Date.** This Ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the Town and shall take effect and be in full force five (5) days after publication provided, that the additional sales and use tax imposed by Section 2 shall apply only to taxable events occurring on and after January 1, 2024.

This ordinance and the sales and use tax imposed herein shall automatically expire without further action of the Town Council of Friday Harbor ten years after the effective date noted above on December 31, 2034.

Adopted this 7th day of December 2023.

TOWN OF FRIDAY HARBOR

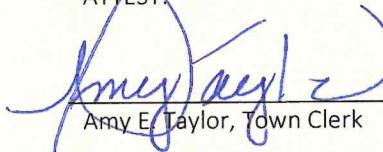


Raymond C. Jackson

Raymond C. Jackson, Mayor

SEAL of the  
Town of Friday Harbor

ATTEST:



Amy E. Taylor

Amy E. Taylor, Town Clerk

*Clerk's Note: Effective date. Notice shall be published in the Journal of the San Juans on December 13, 2023. Ordinance shall be effective December 20, 2023.*