

City of College Place, Washington
ORDINANCE NO. 22-010

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF COLLEGE PLACE,
WASHINGTON CREATING A NEW CHAPTER 3.30, ENTITLED “PROHIBITION OF
LOCAL INCOME TAX” WITHIN TITLE 3, “REVENUE AND FINANCE” OF THE COLLEGE
PLACE MUNICIPAL CODE TO OPPOSE A LOCAL INCOME TAX ON THE RESIDENTS
AND BUSINESSES OF THE CITY OF COLLEGE PLACE**

WHEREAS, Article VII, § 1 of the Washington State Constitution establishes the basic framework for taxation in the State of Washington, including what shall be permitted as a tax; and

WHEREAS, after the City of Seattle attempted to enact an income tax on certain individuals applicable within its municipal boundaries, the Washington State Court of Appeals, Division 1, ruled that such a tax, when selectively applied, was unconstitutional and invalid. *Kunath v. City of Seattle*, 10 Wash. App. 2d 205 (Div. 1 2019); and

WHEREAS, certain language in the *Kunath* ruling has caused discussion in various committees across Washington as to whether cities have authority to impose a local income tax, which is legally considered a tax on property; and

WHEREAS, the Washington State Supreme Court denied request for appeal of the *Kunath* case such that the ruling stands at this time; and

WHEREAS, the City Council wants to declare its opposition regarding a local income tax on its residents and businesses; and

WHEREAS, businesses large and small, provide the economic lifeblood in our City, the region, state, and country; and

WHEREAS, the City Council knows that a strong and encouraging business climate and quality of place are the best ways to attract and retain good businesses to employ people in family wage jobs; and

WHEREAS, use of a local income tax would most likely result in less long-term revenue due to the dampening effect it would have on our businesses and local economy.

Now therefore, the City Council of the City of College Place do hereby Ordain as follows:

Section 1: That a new Chapter 3.30 entitled “Prohibition of Local Income Tax” of the College Place Municipal Code shall be and hereby is, created and shall read as follows:

Chapter 3.30

Prohibition of Local Income Tax

Sections:

3.30.010 Purpose.

3.30.020 Local Income Tax Banned.

3.30.010 Purpose.

The imposition of a local income tax on the businesses and residents of the City of College Place is a direct conflict with the high value the City places on promoting economic development through the attraction and expansion of financially healthy, family wage paying employers. Small businesses are the foundation of our local, regional, state, and national economy and it is imperative that the City not put unnecessary obstacles in the way of their success.

3.30.020 Local Income Tax Prohibited.

No local income tax shall be imposed upon the Residents or Businesses of the City of College Place except that a local income tax may be imposed by a vote of the Residents of the City as permitted by law.

Section 2: Clerical Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3: Severability. If any section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 4: Effective Date. This ordinance shall take effect and be in full force five days after its passage and publication as provided by law.

PASSED by the City Council of the City of College Place, Washington, this 14th day of June, 2022.

DocuSigned by:
Norma L. Hernández
Norma L. Hernández, Mayor

Attest:
DocuSigned by:
Lisa R. Neissl
Lisa R. Neissl, MMC
City Clerk

Approved as to form:
DocuSigned by:
Rea L. Culwell
Rea Culwell, City Attorney

Passed: 06-14-2022
Published: 06-16-2022
Effective: 06-21-2022