



ORDINANCE NO. 28057

1 AN ORDINANCE relating to the tax code; amending Chapter 6A.70 of the
2 Tacoma Municipal Code, entitled "Local Option Taxes," to impose an
3 additional sales tax of one-tenth of one percent to fund the provision of
4 mental health services, pursuant to RCW 82.14.460.

5 WHEREAS the City's current 2011-2012 budget projections indicate that
6 biennium expenditures will exceed biennium revenues by approximately
7 \$31 million, and

8 WHEREAS the City understands it must identify potential revenue
9 sources to address the budget gap while retaining and protecting vital services,
10 and

11 WHEREAS current investments in mental health and chemical
12 dependency services are at risk due to current budget constraints, and

13 WHEREAS Chapter 6A.70 of the Tacoma Municipal Code ("TMC"),
14 "Local Option Taxes," generally contains local taxes imposed and tax rates set
15 by the City Council pursuant to Title 82 of the Revised Code of Washington,
16 and

17 WHEREAS RCW 82.14.460 provides that any city with a population over
18 30,000 located in a county with a population over 800,000 may authorize, fix, and
19 impose a sales and use tax for chemical dependency or mental health treatment
20 services or therapeutic courts, so long as the county has not previously imposed
21 such a tax, and

22 WHEREAS Pierce County has not imposed such a tax, and



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

6 WHEREAS RCW 82.14.460 further provides that, in any city with a
7 population over 30,000, revenue received through the tax may be used to supplant
8 up to 50 percent of existing funding in 2012 for such programs and services, with
9 10 percent decreases in the amount of existing funding that can be supplanted
10 each year thereafter, and

12 WHEREAS those struggling with mental health and chemical dependency
13 issues in our community are underserved in terms of programs and services, and

14 WHEREAS the proposed amendments to Chapter 6A.70 TMC will establish
15 the new Sections 6A.70.045 and 6A.70.046 TMC that impose an additional retail
16 sales tax of one-tenth of one percent, effective July 1, 2012, to address unmet
17 community needs and fund programs and services in the City related to mental
18 health, chemical dependency, and therapeutic courts, and

20 WHEREAS, pursuant to RCW 82.14.460, the City intends to use a
21 portion of the revenue to supplant existing funding for such programs and
22 services with revenue received through the proposed tax, to protect these vital
23 services from existing financial constraints, and



1 WHEREAS the City further intends to propose future legislation establishing
2 1.5 full-time equivalent special project positions to administer the programs related
3 to mental health, chemical dependency, and therapeutic courts, and plans to fund
4 said positions with revenue received through the proposed tax, and

5 WHEREAS the signed ordinance must be provided to the State of
6 Washington, Department of Revenue by April 16, 2012, in order for the sales tax
7 increase to be implemented by the beginning of the third quarter of 2012, and

8 WHEREAS City staff will conduct a mental health service needs
9 assessment in the spring and summer of 2012, which will be used to develop
10 strategies, priorities, and objectives, and

11 WHEREAS the proposed amendments have been discussed and reviewed
12 at the January 12, 2012, and January 26, 2012, Public Safety, Human Services,
13 and Education Committee ("PSHSE") meetings, and received a "do pass" from the
14 PSHSE at the January 26, 2012 meeting, and

15 WHEREAS, the proposed amendments having been reviewed and
16 approved by the PSHSE, and programs and services in the City related to mental
17 health, chemical dependency, and therapeutic courts having been identified as
18 funding priorities, the set of proposed changes to the local option taxes is now
19 identified as a prudent potential revenue source; Now, Therefore,
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BE IT ORDAINED BY THE CITY OF TACOMA:

1 That Chapter 6A.70 of the Tacoma Municipal Code is hereby amended, as
2 set forth in the attached Exhibit "A."
3

4 Passed MAR 20 2012

5 
6 Mayor

7 Attest:

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9 City Clerk

10
11 Approved as to form:

12 
13 Deputy City Attorney

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EXHIBIT "A"

Chapter 6A.70

LOCAL OPTION TAXES

Sections:

- 6A.70.010 Sales or use tax – Imposition.
- 6A.70.020 Sales or use tax – Rate.
- 6A.70.030 Additional sales or use tax – Imposition.
- 6A.70.040 Additional sales or use tax – Rate.
- 6A.70.045 Additional sales or use tax for mental health treatment—Imposition.
- 6A.70.046 Additional sales or use tax for mental health treatment—Rate.
- 6A.70.050 Leasehold excise tax – Imposition.
- 6A.70.060 Leasehold excise tax – Rate.
- 6A.70.070 Leasehold excise tax – Exemptions.
- 6A.70.080 Real estate excise tax – Imposition.
- 6A.70.090 Real estate excise tax – Rate.
- 6A.70.100 Additional real estate excise tax – Imposition.
- 6A.70.110 Additional real estate excise tax – Rate.
- 6A.70.120 Administration and collection of taxes.
- 6A.70.130 Inspection of records.
- 6A.70.140 Contract with the state authorized.

6A.70.045 Additional sales or use tax for mental health treatment—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 6A.70.010, 6A.70.020, 6A.70.030 and 6A.70.040, 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.

6A.70.046 Additional sales or use tax for mental health treatment—Rate.

The rate of the tax imposed by Section 6A.70.045 of this chapter shall be one-tenth of one percent of the selling price or value of the article used, as the case may be.
