

## **ORDINANCE 1530**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ADDING A NEW CHAPTER 3.53 TO THE GIG HARBOR MUNICIPAL CODE CODIFYING THE CITY'S PRIOR ASSUMPTION OF THE CITY'S TRANSPORTATION BENEFIT DISTRICT AND NEW IMPOSITION OF AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT WITHIN THE BOUNDARIES OF THE GIG HARBOR TRANSPORTATION BENEFIT DISTRICT FOR THE PURPOSE OF FINANCING THE COSTS ASSOCIATED WITH TRANSPORTATION IMPROVEMENTS IN THE DISTRICT AS AUTHORIZED BY RCW 36.73.065 AND RCW 82.14.0455; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the Gig Harbor Transportation Benefit District was established by Ordinance 1392 on July 9, 2018; and

**WHEREAS**, under Ordinance 1457, passed by the Gig Harbor City Council on April 12, 2021, the City of Gig Harbor assumed the rights, powers, immunities, functions, and obligations of the District pursuant to RCW 36.74.010; and

**WHEREAS**, the City Council desires to now codify its prior decision to assume the rights, power, immunities, functions, and obligations of the district; 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 RCW 82.14.0455; 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 ten (10) years upon a majority vote of the governing body of the district for the purpose of financing the transportation improvements of a district; and

**WHEREAS**, post-assumption of the district as provided in Ordinance 1457, the Gig Harbor City Council has all powers given to the governing body of the District; and

**WHEREAS**, the Gig Harbor City Council has carefully considered the financial needs of the city's transportation system and the imposition of the tax and has determined that the best interests of the city and the district will be served by passing this ordinance;

**NOW THEREFORE**, the City Council of the City of Gig Harbor, Washington, do ordain as follows:

**Section 1.** The Gig Harbor Municipal Code is hereby amended to add Chapter 3.53, as follows:

**Chapter 3.53**  
**TRANSPORTATION BENEFIT DISTRICT**

Sections:

- 3.53.010 Purpose.
- 3.53.020 Findings.
- 3.53.030 Establishment – Assumption.
- 3.53.040 Transportation benefit district assumed—Governing board abolished.
- 3.53.050 Authority of the district.
- 3.53.055 Additional sales and use tax.
- 3.53.060 Use of funds.
- 3.53.070 Dissolution of district.

**3.53.010 Purpose.**

The purpose of this chapter is to establish a transportation benefit district pursuant to Chapter 36.73 RCW.

**3.53.020 Findings.**

- A. It is in the public interest to construct a transportation system with safe and efficient transportation infrastructure.
- B. It is in the public interest to form a transportation benefit district to provide adequate levels of funding for transportation improvements that are consistent with existing state, regional, and local transportation plans and are necessitated by existing or reasonably foreseeable congestion levels, as provided in Chapter 36.73 RCW.
- C. It is in the public interest to provide for transportation improvements that, without limitation, improve modal connectivity and reduce congestion throughout the city and that protect the city's long-term investments in its infrastructure, reduce the risk of transportation facility failure, improve safety, continue optimal performance of the infrastructure over time, and avoid more expensive infrastructure replacements in the future.
- D. The city's six-year transportation improvement plan shall be annually updated to identify projects that constitute transportation improvements that may be funded by the transportation benefit district as funding becomes available.

**3.53.030 Establishment – Assumption.**

- A. The Gig Harbor transportation benefit district or “district” was created in 2018 with Gig Harbor Transportation Benefit District with geographical boundaries comprised of the corporate limits of the city, as those boundaries now exist and as they may be adjusted in the future.
- B. The rights, powers, immunities, functions, and obligations of the City of Gig Harbor Transportation Benefit District are hereby assumed by the City of Gig Harbor which is hereby vested with every right, power, immunity, functions, and obligation currently granted to or possessed by the TBD.
- C. All existing contracts and obligations of the Gig Harbor Transportation Benefit District shall remain in full force and effect and shall be performed by the City of Gig Harbor.
- D. All rules and regulations and all pending business before the Gig Harbor Transportation Benefit District shall be continued and acted upon by the City of Gig Harbor.
- E. All reports, documents, surveys, books, records, files, papers, or other writings relating to the administration of powers, duties and functions transferred pursuant to this chapter and available to the Gig Harbor Transportation Benefit District shall be made available to the City of Gig Harbor.
- F. All funds, credits, or other assets held in connection with powers, duties, and functions transferred pursuant to this ordinance shall be assigned to the City of Gig Harbor.
- G. Any appropriations or federal grants made out to the Gig Harbor Transportation Benefit District for the purpose of carrying out the rights, powers, functions and obligations authorized to be assumed by the City of Gig Harbor pursuant to this ordinance, on the effective date of this ordinance, shall be credited to the City of Gig Harbor for the purpose of carrying out such transferred rights, powers, functions and obligations.
- H. The city hereby assumes and agrees to provide for the payment of all of the indebtedness of the transportation benefit district, including the payment and retirement of outstanding general obligation and revenue bonds issued by the transportation benefit district should any exist.

**3.53.040 Transportation benefit district assumed—Governing board abolished.**

- A. The Gig Harbor Transportation Benefit District Board of Directors is abolished as required by RCW 36.74.030(2).
- B. The Gig Harbor City Council is hereby vested with the authority to exercise the statutory powers set forth in Chapter 36.73 RCW and this chapter. The Gig Harbor City Council is vested with all of the rights, powers, immunities, functions, and obligations formerly held by the governing board of the Issaquah transportation benefit district.
- C. The Gig Harbor Finance Director shall be responsible for all financial, accounting, and reporting functions previously performed by the Treasurer of the transportation benefit district.
- D. The Gig Harbor City Council shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1). At a minimum, if a transportation

improvement exceeds its original cost by more than 20 percent, as identified in the district's original plan, a public hearing shall be held to solicit public comment regarding how the cost change should be resolved.

- E. The Gig Harbor City Council shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

### **3.53.050 Authority of the district.**

- A. The district shall have and may exercise any and all powers and functions provided by Chapter 36.73 RCW to fulfill the purposes for which the district is established as described in Section 3.53.010. This chapter shall be liberally construed to permit the accomplishment of the district's purposes.
- B. The district may, upon approval by a majority vote of the board, impose a vehicle license fee of up to twenty dollars as provided in RCW 82.80.140. The board may also impose a fee or charge on building construction or land development as authorized by RCW 36.73.120.
- C. When approved by voters pursuant to Chapter 36.73 RCW, the district may assess other taxes, fees, charges and tolls and impose increases in the same for the uses and purposes identified in Section 3.53.060.
- D. The district may issue general obligation bonds or revenue bonds in accordance with the provisions of RCW 36.73.070.

### **3.53.055 Additional sales and use tax.**

- A. Pursuant to RCW 36.73.065 and 82.14.0455, there is hereby imposed an additional sales and use tax to be collected from persons who are taxable by the state under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the district. The amount of the additional tax shall be one-tenth of one percent of the selling price, in the case of the sales tax, or the value of the article used, in the case of the use tax.
- B. The tax imposed by this section shall apply for a period of ten years from the date the tax is first collected within the district and shall thereafter cease to be imposed unless renewed with the affirmative vote of the voters voting at an election or a majority vote of the Gig Harbor city council exercising its authority as the governing body of the district.
- C. The tax imposed by this section shall be in addition to any other taxes authorized by law, including, but not limited to, the sales and use taxes imposed under this code.
- D. The revenues received from the tax imposed by this section shall be general revenues of the district and shall be used for those purposes set forth in Section 3.53.060 or as otherwise authorized by law.

### **3.53.060 Use of funds.**

The funds generated by the district may be used for any purpose allowed by law, including to operate the district and to make transportation improvements that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW. The transportation improvements funded by the district shall be made in an effort to protect the city's long-term investments in its infrastructure, to reduce the risk of

transportation facility failure, to improve safety, to continue optimal performance of the infrastructure over time, to avoid more expensive infrastructure replacements in the future and to improve modal connectivity within the city of Gig Harbor.

**3.53.070 Dissolution of district.**

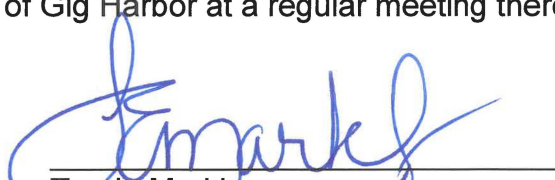
The district shall be automatically dissolved, pursuant to the procedures set forth in Chapter 36.73 RCW, when all the indebtedness of the district has been retired and when all the district's anticipated responsibilities have been satisfied.

**Section 2. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be 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.

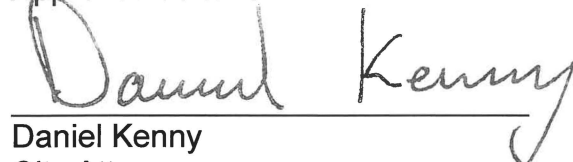
**Section 3. Effective Date.** This ordinance shall take effect and be in full force on January 1, 2025, after passage and publication of an approved summary consisting of the title.

**Section 4. Correction of Errors.** The city clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

**ADOPTED** by the Council of the City of Gig Harbor at a regular meeting thereof, held this 23rd day of September, 2024.

  
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Tracie Markley  
Mayor

Approved as to form:

  
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Daniel Kenny  
City Attorney

Attest:

  
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Joshua Stecker, CMC  
City Clerk