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ORDINANCE NO. 2025-25

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, IMPOSING AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT WITHIN THE BOUNDARIES OF THE RICHLAND TRANSPORTATION BENEFIT DISTRICT FOR THE PURPOSE OF FUNDING PAVEMENT PRESERVATION AS AUTHORIZED BY RCW 36.73.040 AND REPEALING TBD ORDINANCE NO. 01-17 ESTABLISHING AND IMPOSING THE TWENTY DOLLAR VEHICLE LICENSE FEE.

WHEREAS, the City of Richland Transportation Benefit District (hereinafter "the Richland TBD") was established pursuant to RCW 35.21.225 and Chapter 36.73 RCW by the City Council of Richland by Ordinance No. 02-17 in March 2017; and

WHEREAS, by Ordinance No. 55-17, the City of Richland assumed the rights, powers, immunities, functions, and obligations of the Richland TBD pursuant to Second Engrossed Substitute Senate Bill 5987, which amended Chapter 36.73 RCW to allow for said assumption; and

WHEREAS, the City of Richland enacted Ordinance No. 02-17 in March 2017, establishing boundaries for the Richland TBD which are coterminous with the boundaries of the City of Richland city limits; and

WHEREAS, Richland Municipal Code Section 5.51.060 provides that funds generated by the Richland TBD may be used for any purpose allowed by law, including but not limited to funding annual improvements included in the City's pavement preservation program; 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 use in accordance with the requirements of chapter 36.73 RCW; and

WHEREAS, the City of Richland has identified the sales and use tax authorized by RCW 82.14.0455, as well as any other lawful funding sources available pursuant to RCW 36.73.040, as funding sources available to the Richland TBD; and

WHEREAS, the cost of maintaining the pavement condition index (PCI) benchmark for Richland roads is approximately $4 million annually, and the current Richland TBD car tab fee generates approximately $1 million annually, forcing reliance on General Fund, Real Estate Excise Tax (REET), and reserves to make up the difference; and

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WHEREAS, consistent with Richland Municipal Code Section 5.51.060, a sales and use tax will be used to fund annual transportation improvements that are consistent with existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW, and for annual improvements included in the City's Pavement Preservation Program; and

WHEREAS, a sales and use tax will apply to all persons who shop and thereby use streets and roadways in the City of Richland; and

WHEREAS, the City Council, as the governing board of the Richland TBD, deliberated on this matter during a duly noticed public meeting on September 16, 2025, and after careful review and consideration, finds that the best interests of the City of Richland and the Richland TBD are served by passage of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Findings. The above stated recitals are hereby adopted and incorporated by reference as findings in support of this Ordinance.

Section 2. Imposition of Additional 0.1% Sales and Use Tax. The City Council, as the governing board of the City of Richland Transportation Benefit District, finds that it is in the best interest of the City and the District to impose a sales and use tax of one-tenth of one percent (0.1) pursuant to RCW 36.73.040(3)(a), RCW 36.73.065(4)(v), and RCW 82.14.0455 for the purpose of raising revenue to acquire, invest in, construct, improve, provide, operate, preserve, maintain and/or fund transportation improvements in the District as provided in RMC 5.51.060, 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 of the Revised Code of Washington, as amended, upon the occurrence of any taxable event within the boundaries of the City of Richland Transportation Benefit District which is conterminous with the City of Richland city limits.

Section 3. Use of Revenue. The revenues received from the tax imposed by this Ordinance shall be general revenues of the district and shall be used for those purposes set forth in RMC 5.51.060 or as otherwise authorized by law. 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 transportation benefit district projects shall be deemed to be part of the transportation improvements.

Section 4. Repeal of $20 Vehicle License Fee. TBD Ordinance No. 01-17, establishing and imposing a $20 Vehicle License Fee, is hereby repealed effective January 1, 2026.

Section 5. Notice to Department of Revenue. The City Clerk and the Finance Director are instructed to submit this Ordinance to the Washington State Department of Revenue (DOR), and

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to direct DOR to take all steps necessary to implement and collect the tax imposed by this Ordinance beginning on January 1, 2026.

Section 6. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

Section 7. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

Section 8. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the 7th day of October, 2025.

Theresa A Richardson
Theresa Richardson, Mayor

Attest:

Jennifer Rogers
Jennifer Rogers, City Clerk

Approved as to Form:

Heather Kintzley
Heather Kintzley, City Attorney

First Reading: September 23, 2025
Second Reading: October 7, 2025
Date Published: October 12, 2025