

ORDINANCE NO. 2484

AN ORDINANCE amending Section 3.08.040 imposing the one-half of one percent additional sales and use tax authorized pursuant to RCW 82.14.030 (2).

THE COUNCIL OF THE CITY OF CAMAS DO ORDAIN AS FOLLOWS:

Section I

Section 3.08.040 is hereby amended to provide as follows:

3.08.040 Additional tax - Rate.

The rate of tax imposed by Section 3.08.030, which shall be in addition to the rate of the tax imposed by Section 3.08.020, shall be one-half of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax); provided, however, that in the event Clark County shall impose a sales tax and use tax pursuant to RCW 82.14.030 (2) at a rate equal to or greater than the rate imposed under this section, then the county shall receive fifteen percent of the city tax; and provided further, that in the event that Clark County shall impose a sales and use tax pursuant to RCW 82.14.030 (2) which is less than the rate imposed under this section, then the county shall receive that amount of revenues from the city tax equal to fifteen percent of the rate of tax imposed by the county.

Section II

This ordinance shall take force and be in effect five (5) days from and after its publication according to law.

PASSED by the Council and APPROVED by the Mayor this 16th day of April, 2007.

SIGNED:

Hele J. Glade
Mayor Pro-tem

ATTEST:

John M. Sargent
Clerk

APPROVED as to form:

[Signature]
City Attorney

Sales tax:

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porated Clark County.

The state Department of Revenue even sent incorrect instructions to local businesses.

Then, the Clark County Auditor's Office noticed the rule and notified the state Department of Revenue.

Now, the revenue department is placing phone calls to 400 businesses in Camas and Yacolt, hoping to make sure that all of them charge the full 8.2 percent next week.

Further complicating matters, the 0.2 percent hike that's caused all the confusion isn't the only new tax on this April Fools' Day. A separate 0.1 percent "meth tax" for substance abuse and mental health treatment will also take effect.

The state rule is almost never applied, because almost nobody has reined in sales taxes as tightly as Camas, Yacolt and — until this week — Clark County.

"It's so unusual — that's why we overlooked it at first," said Mike Gowrylow, a spokesman for the revenue department. "I frankly don't know what the origin of it is. It's been around for years."

Under the law, Clark County will get all the money from the higher tax — an extra \$400,000

collected by Camas businesses and somewhere around \$7,500 collected by Yacolt businesses.

But if Camas and Yacolt raise their official tax rates to match the county, it'll send most of those tax dollars to the city government instead of the county. Consumers wouldn't see a difference, because the tax will have already gone up.

Gerde, the Camas City Council member, said she'd vote to raise city taxes in that situation.

"That's a no-brainer," she said.

Gerde said she didn't think Camas' council had even considered raising the tax in her 12 years of service.

"Five years ago, when we had the real crunch time, we didn't even bring it forward," she said. "We said, 'Let's make budget cuts instead.'"

Dave Feltcher, owner of One Stop Home Furnishings in Camas, was dismayed to hear that there will likely be another few dollars between the taxes his customers pay and the ones people pay his competitors in sales-tax-free Oregon.

"We love telling people it's the lowest in the county," Feltcher said of Camas' current sales tax rate.

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3/25/07

Section C

ty and the region

Law forces small cities to raise tax

Camas, Yacolt, Stevenson councils had intentionally kept sales tax rates lower

By **MICHAEL ANDERSEN**
Columbian staff writer

Here's one for the "no good deed goes unpunished" department: an obscure state law seems to require tax hikes in Clark County's two lowest-sales-tax cities, even though their city councils never asked for the money.

The towns are Camas and Yacolt, and a comparatively tiny amount of cash is at stake: two cents on a \$10 bottle of wine, \$1 on a \$500 couch.

It's the difference between 8 percent and 8.2 percent sales tax, and it goes into effect on April 1.

It's no joke, though. Those pennies add up — to almost \$400,000 annually in Camas — and keeping them in taxpayer hands has been a point of pride.

Of the state's 281 cities, only three have chosen not to levy the full tax: Camas, Yacolt and Stevenson.

"We didn't need that additional revenue," said Helen Gerde, who sits on the finance committee of Camas' city council. "We were doing OK."

Last week, however, a county worker realized that businesses within those cities' borders will have to charge the full 8.2 percent sales tax, whether the cities want it or

Update

■ Previously:

Clark County decided to raise \$5 million by hiking sales tax 0.2 percent in unincorporated areas.

■ What's new:

Government workers found a little-noticed state law they say requires the higher tax to apply in Camas and Yacolt, too.

■ What's next:

Camas and Yacolt will decide if their governments want a piece of the new revenue, or will just let the county have it.

not.

That's because state law says that whenever a city and its county set different tax rates, city businesses have to charge the higher of the two. Therefore, a 0.2 percent Clark County tax hike going into effect next Sunday will also boost the rate at Yacolt and Camas businesses.

If you're confused, you're in good company. Until last week, everyone — county, cities, and state — had been overlooking the law, assuming the 0.2 percent tax hike would apply only in unincor-

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