

**HIGHLINE WATER DISTRICT
King County, Washington**

RESOLUTION 20-10-21B

**RESOLUTION AUTHORIZING CLOSING FEDERAL WAY EXCISE TAX
COLLECTIONS FUND WITH THE KING COUNTY DEPARTMENT OF FINANCE**

WHEREAS, the City of Federal Way, a Washington non-charter code city ("City"), enacted Ordinance No. 18-847 on March 20, 2018 ("Ordinance") purporting to levy an excise tax ("Excise Tax") in the amount of 7.75% on the District's gross income from the provision of water utility services within the City; and

WHEREAS, the District filed suit in King County Superior Court seeking a judicial determination that the Excise Tax and the Ordinance were unlawful; and the District and the City entered into a stipulation providing for the sequestration with the King County Treasurer of Excise Tax collected by the District during the pendency of the lawsuit to be invested in the Investment Pool; and

WHEREAS, on June 18, 2020, the Washington State Supreme Court affirmed the superior court's ruling granting summary judgment to the City of Federal Way; and

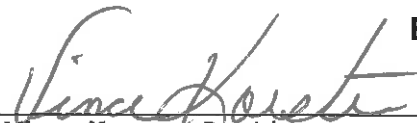
WHEREAS, the Federal Way Excise Tax Collections Fund with the King County Department of Finance is no longer necessary, and the District will begin adding a 7.75 percent tax on Federal Way customers water bills, effective October 1, 2020.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Highline Water District, King County, Washington, as follows:


The General Manager is authorized to close the Federal Way Excise Tax Collections Fund with the King County Department of Finance.

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at an open public meeting held on the **21st** day of **October 2020**.

BOARD OF COMMISSIONERS



Vince Koester, President



Polly Daigle, Commissioner



Kathleen Quong-Vermeire, Commissioner



Todd Fultz, Secretary



Daniel Johnson, Commissioner

Agenda Item No.: 5.2
Agenda Date: 10/21/20
Reviewed By: M.E.

Re: Resolution authorizing closing Federal Way Excise Tax Collections Fund with the King County Department of Finance

CATEGORY	
<i>Executive</i>	<input type="checkbox"/>
<i>Administrative</i>	<input checked="" type="checkbox"/>
<i>Engineering/Operations</i>	<input checked="" type="checkbox"/>

FINANCIAL			
<i>Expenditures?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<i>Budgeted?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Amount:</i> \$ _____			<i>(Excludes Sales Tax)</i>

ATTACHMENTS:

1. Resolution 20-10-21B

COMMENTS:

The City of Federal Way, a Washington non-charter code city ("City"), enacted Ordinance No. 18-847 on March 20, 2018 ("Ordinance") purporting to levy an excise tax ("Excise Tax") in the amount of 7.75% on the District's gross income from the provision of water utility services within the City

On June 18, 2020, the Washington State Supreme Court affirmed the superior court's ruling granting summary judgment to the City of Federal Way.

The Federal Way Excise Tax Collections Fund with the King County Department of Finance is no longer necessary, and the District will begin adding a 7.75 percent tax on Federal Way customers water bills, effective October 1, 2020.