ORDINANCE 1546

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ESTABLISHING A CULTURAL ACCESS PROGRAM; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, RCW 36.160.030 provides that any city legislative authority may create a cultural access program by ordinance; and

WHEREAS, RCW 36.160.080 and RCW 82.14.525 provide that a city creating a cultural access program may impose sales and use taxes for a period of up to seven consecutive years; and

WHEREAS, imposition of a sales and use tax for a cultural access program would benefit the City of Gig Harbor by providing funds for the purpose of investing in the local institutional and human infrastructure to the benefit of the public and to provide public and educational benefits and economic support for cultural organizations; and

WHEREAS, city residents would benefit greatly from improved public access to programs produced by nonprofit arts, culture, science, and heritage organizations that would be enabled by an increase in public funding for those organizations; and

WHEREAS, the cultural access initiative was born of the effort to promote arts, culture, science, and heritage in Gig Harbor, in order to spark its creative energy and inspire the very best of the city and its residents; and

WHEREAS, a cultural access program would allow arts, culture, science, and heritage organizations to expand open public hours, offer discounted and free admission, and participate in public school access programs; and

WHEREAS, increased funding may provide transportation for school age children to access and attend arts, science, cultural, and heritage programs, so as to overcome one of the recognized barriers for such participation;

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

<u>Section 1.</u> <u>Cultural access program.</u> The City of Gig Harbor hereby creates a cultural access program for the benefit of its citizens as provided by RCW 36.160.030. The City of Gig Harbor shall serve as the designated entity to administer the cultural access program.

<u>Section 2. Nonsupplantation.</u> The City of Gig Harbor affirms that any funding it usually and customarily provides to cultural organizations similar to funding that would be available to those organizations under this cultural access

program may not be replaced or materially diminished as a result of funding becoming available under this cultural access program.

Section 3. Tax imposed. The sales and use tax provided for in RCW 36.160.080 and RCW 82.14.525 is hereby imposed in addition to 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 RCW upon the occurrence of any taxable event within the City of Gig Harbor. The rate of the tax shall be one-tenth of one percent (0.1%) of the selling price in the case of a sales tax or of the value of the article used in the case of a use tax. Imposition of this tax is conditioned on the specific authorization of a majority of the voters voting on a proposition submitted at a special or general election. This tax shall remain in effect for a period of seven years after any tax is imposed under this ordinance.

<u>Section 4.</u> Collection. The Washington State Department of Revenue shall perform the collection of the tax imposed under Section 3 of this ordinance on behalf of the city at no cost to the city.

<u>Section 5.</u> <u>Establishing a fund for tax proceeds and expenditures.</u> The moneys collected under this ordinance shall be forwarded to the City of Gig Harbor for deposit into a special fund which is hereby created and hereafter recognized as the City of Gig Harbor Cultural Access Fund. Expenditures from the fund shall comply with applicable law, including RCW 36.160.080(4) and RCW 82.14.525(6).

<u>Section 6. Public benefits</u>. The cultural access program must provide or continue to provide funding only to cultural organizations that provide discernible public benefits. Such funding shall be distributed in a manner consistent with Chapter 36.160 RCW. The city council shall adopt guidelines establishing a baseline standard of continuous performance with respect to the provision of public benefits.

<u>Section 7. Public school cultural access program.</u> The city council must develop and provide a public school cultural access program in a manner consistent with Chapter 36.160 RCW.

<u>Section 8. Use of funds—Allocation.</u> All tax proceeds collected pursuant to Section 5 of this ordinance shall be allocated in a manner consistent with Chapter 36.160 RCW. Of the tax revenues collected: a) cost to administer the program will be capped at 10 percent; b) a percentage of all revenues will be dedicated to public school cultural access programming, as established by resolution of the city council; c) the remainder of funds will be used to support eligible cultural organizations to provide enhanced access for the benefit of Gig Harbor residents to attend or participate in cultural programs, events, or activities.

Section 9. Use of funds – Funds not allocated for administrative costs or public school access. The city council shall identify by resolution a designated entity which must be a public agency, including the state arts commission, or a Washington nonprofit corporation that is not a cultural organization eligible for funding under this chapter. The designated entity shall award grants of funds not allocated for administrative costs or public school access.

The city council shall also, by resolution, a) determine guidelines for determining the eligibility of cultural organizations to receive funding; b) establish criteria for the award of funds to eligible cultural organizations, including the public benefits to be derived from projects submitted for funding; c) establish the amount of funding to be allocated to support designated entity administrative costs; d) establish criteria for the identification of any cultural organization or organizations that would receive annual distributions of funds in such amounts determined by the city; and e) establish procedures to be used by the designated entity in awarding funding to other cultural organizations that may, but are not required to include a periodic competitive process for awarding funds for particular purposes or projects proposed by eligible cultural organizations.

In evaluating requests for funding authorized under this chapter, the designated entity responsible for the distribution of the funds must consider the public benefits that any cultural organizations represented will be derived from proposed projects. At the conclusion of a project approved for funding, such organization is required to report to the designated entity on the public benefits realized.

Recipients of funds under this section must be cultural organizations as defined in RCW 36.160.020. Funds distributed to cultural organizations may be used to support cultural and educational activities, programs, and initiatives; public benefits and communications; and basic operations. Funds may also be used for: (a) Capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property; and (b) technology, equipment, and supplies reasonably related to or necessary for a project otherwise eligible for funding under RCW 36.160.

<u>Section 10.</u> <u>Severability.</u> If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, clause or phrase of this ordinance.

<u>Section 11.</u> <u>Correction of Errors.</u> 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.

<u>Section 12. Effective date and duration.</u> This ordinance shall take effect and be in full force thirty (30) days after passage and publication of an approved summary consisting of the title. The sales and use tax imposed by Section 3 of this ordinance shall become effective April 1, 2026.

ADOPTED by the Council of the City of Gig Harbor at a regular meeting thereof, held this 14th day of July, 2025.

Mary K. Barber

Mayor

Approved as to form:

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Attest:

Daniel Kenny City Attorney Joshua Stecker, CMC

City Clerk