

ORDINANCE NO. 2015-12-049

AN ORDINANCE AMENDING CHAPTER 6.04 OF THE BELLINGHAM MUNICIPAL CODE TO ESTABLISH A PHASED BUSINESS AND OCCUPATIONS TAX CREDIT TO INCENTIVIZE PERSONS TO OPEN NEW BUSINESSES OR NEW BRANCH LOCATIONS IN TARGETED URBAN VILLAGES

WHEREAS, a key strategy in the Comprehensive Plan to preserve neighborhood character and accommodate anticipated growth is to target areas throughout the City of Bellingham that can best absorb increased development densities in the form of "urban villages"; and

WHEREAS, six urban village plans have been adopted as part of the Comprehensive Plan, describing the type of environment envisioned for these areas; and

WHEREAS, despite the establishment of zoning, development regulations, and other land use enablement to achieve the urban village vision for these areas, the desired infill development has occurred with mixed results; and

WHEREAS, City Council has determined that it is in the public interest to establish a phased business and occupations tax credit to encourage businesses to locate within targeted urban villages.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BELLINGHAM DOES HEREBY ORDAIN THAT:

Section 1. A new section 6.04.105 is added to the Bellingham Municipal Code as follows:

6.04.105 Urban Village Phased Tax Credit

A. Subject to the limitations in this section, a phased business and occupations tax credit is made available to any person who after December 31, 2015 opens a new business, or a new branch of an existing business, within an eligible urban village. Eligible urban villages are the Downtown District Urban Village, Waterfront District Urban Village, Samish Way Urban Village, and Fountain District Urban Village established in BMC 20.37 and the Old Town Overlay District established in BMC 20.35. The credit is not available to a business that relocates from a location within city limits to an eligible urban village.

B. The credit shall be 90% of the tax due for the first year, 75% of the tax due for the second year, and 50% of the tax due for the third year. If the taxpayer transacts business in the city at two or more separate physical locations, the credit shall apply only to the tax liability attributable to the gross receipts of the business located within an eligible urban village. The credit may not be claimed if the taxpayer is claiming any other credits, deductions or exemptions. The credit does not apply to any penalties or interest.

C. To obtain the credit, a person must apply to, and receive approval from, the city finance director prior to opening the business location for which the credit is sought. Applications

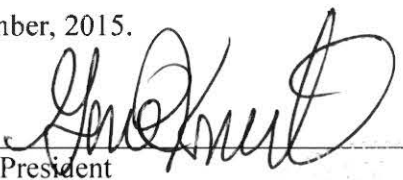
shall be on a form provided by the city. Applications will be accepted through December 31, 2018, provided this application deadline may be extended by ordinance. The director's decision to approve or deny the credit shall be issued within thirty days of receipt of the application and shall be based on whether the requirements of this section are met. The credit shall be effective as of the first day of the quarter in which the application is approved, and shall be effective for up to three years from that date, provided that the requirements of this chapter are met.

D. If a person relocates a business outside the eligible urban village within three years of the effective date of the credit, the total amount of taxes for which the credit has been claimed for current and prior reporting periods shall be immediately due.

E. If a person is delinquent in filing his or her tax returns on three or more occasions while the credit is in effect, the city finance director may revoke the credit; provided that the revocation shall apply to current and future reporting periods only.

F. The Finance Director may adopt procedures for the administration of the credit authorized in this section.

PASSED by the Council this 7th day of December, 2015.



Council President

APPROVED by me this 14th day of December, 2015.




Mayor

ATTEST:



Finance Director

APPROVED AS TO FORM:



Office of the City Attorney

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Ordinance #2015-12-049

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