

**ORDINANCE NO. 652**

**AN ORDINANCE TO INCREASE THE TRANSIT TAX RATE FROM 0.33% TO 0.50% EFFECTIVE OCTOBER 1, 2008.**

WHEREAS, TriMet anticipates operating the Westside Express Service (WES) in October 2008 and the City is contractually obligated to pay a minimum of \$300,000 per year to TriMet for rail operations; and

WHEREAS, the City's transit system, SMART, desires to increase its service level to meet arriving and departing WES trains in order to get riders to and from local destinations quickly; and

WHEREAS, a transit master plan has identified certain building construction projects related to SMART (administrative building, fleet maintenance building, public restroom and driver break room, park and ride expansion) and periodic replacement of buses for which new resources will be required; and

WHEREAS, to provide adequate resources the transit master plan proposes an increase in the payroll tax rate to 0.50% (one-half of one percent) in order to pay for the new cost of services related to WES, to provide resources for capital expansion and to build cash reserves; and

WHEREAS, Ordinance 613 dated August 8, 2006 established a payroll tax rate of 0.33 percent (thirty-three hundredths of one percent); and

WHEREAS, the Budget Committee recommended an increase in the payroll tax rate to 0.50% and the adopted 2008-09 City of Wilsonville budget anticipated this increase.

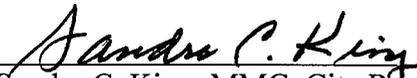
NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

The Wilsonville Code Section 7.400 **Public Transportation Payroll & Self Employment Tax** is amended as follows:

**Section 7.404. Payroll and Self Employment Tax Imposed.** (1) To carry out the purposes set forth herein, an excise tax is hereby imposed and levied on every person, firm, corporation or association doing business within the boundaries of the local transit area, which employs one or more employees, or contracts orally or in writing with any commission merchant

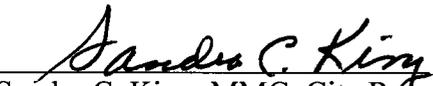
or commission employee. For the same purpose, a tax is imposed on each individual's net earnings from self employment. The amount of the tax shall be 0.50 percent of the total payroll expense of each taxpayer or of the individual's net earnings from self employment as the case may be. The rate shall be in full force and effective from and after October 1, 2008 and shall apply to payroll expenses and net earnings from self employment incurred after that date. This tax is imposed for the provision of public transportation services within the local transit area in order to provide for the business community to carry a share of the costs of local government in return for the benefits and opportunities available because of City services.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 16<sup>th</sup> day of June, 2008, and scheduled for a second reading at a regular meeting thereof on the 7<sup>th</sup> day of July, 2008, commencing at the hour of 7 p.m. at the Wilsonville City Hall.

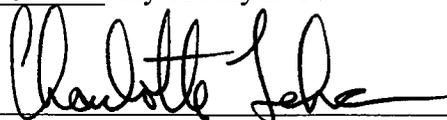
  
Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the 7th day of July 2008 by the following votes:

Yes:-4- No: -1-

  
Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this 10<sup>th</sup> day of July 2008.

  
CHARLOTTE LEHAN, Mayor

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Kirk	No
Councilor Knapp	Yes
Councilor Ripple	Yes
Councilor Núñez	Yes

Attachment: Exhibit A – Phase One Investment Chart

**PHASE ONE INVESTMENT**

.50%

.33%

0.0017		<b>Reserves \$100,000</b>	
0.0016			
0.0015		<b>Local Share/Match for Facilities \$200,000</b>	
0.0014			
0.0013		<b>Local Share/Match for New Buses \$200,000</b>	
0.0012			
0.0011		<b>Fleet services for Fuel, Repairs &amp; Maintenance \$270,000</b>	
0.001			
0.0009			
0.0008			
0.0007		<b>10-Minute Plan Bus Route Changes for WES Commuter Rail \$450,000</b>	
0.0006			
0.0005			
0.0004			
0.0003			
0.0002		<b>WES Commuter Rail Payment to TriMet \$300,000</b>	
0.0001			
0			