

AGREEMENT BETWEEN THE STATE OF WASHINGTON, DEPARTMENT OF REVENUE  
AND THE CITY OF Othello REGARDING ADMINISTRATION  
AND COLLECTION OF LOCAL NATURAL GAS USE TAX

THIS AGREEMENT, Made this 13 day of April, 1992, by  
and between the State of Washington, Department of Revenue,  
hereinafter referred to as the Department, and the above  
designated city, hereinafter referred to as the city, WITNESSETH:

WHEREAS, The Legislature of the State of Washington has by  
chapter 384, Laws of 1989, authorized cities to impose a local  
natural gas use tax, and

WHEREAS, It is provided in section 2 of said act by  
reference to RCW 82.14.050, that any city imposing a local  
natural gas use tax by ordinance shall, prior to the effective  
date thereof, contract with the Department for the administration  
and collection of said tax, and

WHEREAS, The city has by ordinance, a copy of which is  
attached hereto, elected to impose a natural gas use tax  
commencing on the first day of July, 1992.

NOW, THEREFORE, To effectuate section 2 of the  
aforementioned act, the parties hereto agree as follows:

1. The Department shall exclusively perform all functions  
incident to the administration and collection of the taxes  
imposed by the said ordinance, other than criminal prosecutions.

2. The Department shall retain from the taxes so collected  
the amount of two percent thereof as expenses of administration  
and collection. Said amount shall be subject to review during  
October of each year.

3. The remainder of said taxes so collected shall be  
deposited by the Department in the local sales and use tax  
account under the custody of the State Treasurer.

4. In carrying out its administration and collection duties  
hereunder, the Department shall, insofar as the same are  
applicable, apply the administrative provisions contained in  
chapters 82.02 and 82.32 RCW, and the Department's rules and  
regulations promulgated pursuant to RCW 82.32.300, as the same  
exist or may hereafter be amended. The Department shall adopt  
additional rules and regulations, in accordance with the State  
Administration Procedure Act, to facilitate the administration  
and collection of the local taxes as it may deem necessary or  
desirable.

5. The Department shall perform its duties hereunder so that as far as possible the local natural gas use tax adopted by the city shall be administered and collected in a manner which is as consistent and uniform as possible with the state natural gas use tax and facilitates the imposition of the local natural gas use tax upon individual taxable events simultaneously with the imposition of the state natural gas use tax.

6. The city shall have the right from time to time to examine the records of the Department as they concern taxpayers subject to the aforementioned ordinance.

7. The allocation of local natural gas use tax collections among the various cities and counties will be sent by the Department to the State Treasurer within 60 days after the close of the first quarter for which the tax is imposed and thereafter on a monthly basis.

8. All refunds and credits for local natural gas use tax made by the Department shall be charged to the city.

9. The Department shall require redistribution to the affected cities, of any tax, penalty and interest distributed to a city other than the city entitled thereto. Such redistribution shall not be made as to amounts originally distributed earlier than three quarterly periods prior to the quarterly period in which the Department obtains knowledge of the improper distribution.


10. This agreement shall take effect on the first day of July, 1992, and shall thereafter be automatically renewed on December 31 of each year unless one of the parties gives written notice of termination on or before November 1 or each such year.

11. In witness whereof the parties hereto have affixed their signature the day and year first above written.

(CITY)

X By   
Mayor

DEPARTMENT OF REVENUE  
STATE OF WASHINGTON

By   
Director

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

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Exhibit A  
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