

# Valley Water District

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January 31, 2025

To: View Royal Customers

Re: City of Bonney Lake Utility Tax – 12%

## **City of Bonney Lake – 12% Utility Tax**

Valley Water District provided an initial notification about this utility tax in the Winter Newsletter that was included with the December 31, 2024, statements, this letter is intended to provide more clarification for the customers affected by this utility tax.

Valley Water District has been notified that effective January 1, 2025, the City of Bonney Lake will be implementing the Bonney Lake Municipal Code 5.04, Utility Tax (Ordinance 1556 available to review on VWD website or City of Bonney Lake Website). This tax applies to all water service revenue collected from any customers located within Bonney Lake City Limits.

Over the last 10 years plus, Cities have been implementing this tax on water customers that live within the city limits but are not served water by the City. Many Districts have challenged this in court as we view it as one government entity taxing another government entity, but the courts have upheld that the Cities have a right to charge these taxes and use them in their general fund.

While the District does not agree with the City implementing these taxes, we are legally obligated to pay them. Therefore, effective January 1, 2025, all customers in our View Royal System that are also within the Bonney Lake City limits will see an additional line item on their bill (City BL Tx) which will be calculated at 12% of the current charges. The utility tax will start on the next billing statement (February 28, 2025).

Anyone that is concerned with or opposed to this implementation should voice their concerns with the City of Bonney Lake Council members.

If you would like additional information regarding this issue, feel free to contact the District or reach out directly to any of the City of Bonney Lake Council Members.

Thank you

Sean Vance  
General Manager