



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118716

Record No.: CB 118716

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125084

In Control: City Clerk

File Created: 05/31/2016

Final Action: 07/29/2016

**Title:** AN ORDINANCE related to increasing the Business License Tax rates and amending Section 5.45.050 of the Seattle Municipal Code.

### Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: adam.schaefer@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/07/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	06/07/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	06/10/2016	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee						
	Notes:						

- |   |  |            |                                    |  |      |
|---|--|------------|------------------------------------|--|------|
| 1 | Full Council   | 07/05/2016 | referred                           | Affordable<br>Housing,<br>Neighborhoods,<br>and Finance<br>Committee |      |
| 1 | Affordable Housing,<br>Neighborhoods, and<br>Finance Committee   | 07/06/2016 | discussed                          |  |      |
|   | <b>Action Text:</b> The Council Bill (CB) was discussed.   |            |                                    |  |      |
|   | <b>Notes:</b>  |            |                                    |  |      |
| 1 | Affordable Housing,<br>Neighborhoods, and<br>Finance Committee   | 07/20/2016 | pass                               |  | Pass |
|   | <b>Action Text:</b> The Committee recommends that Full Council pass the Council Bill (CB).   |            |                                    |  |      |
|   | In Favor: 4 Chair Burgess, Vice Chair Herbold, Member Johnson, Alternate O'Brien   |            |                                    |  |      |
|   | Opposed: 0   |            |                                    |  |      |
| 1 | Full Council   | 07/25/2016 | passed                             |  | Pass |
|   | <b>Action Text:</b> The Council Bill (CB) was passed by the following vote, and the President signed the Bill:   |            |                                    |  |      |
|   | In Favor: 8 Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant |            |                                    |  |      |
|   | Opposed: 0   |            |                                    |  |      |
| 1 | City Clerk   | 07/26/2016 | submitted for<br>Mayor's signature | Mayor  |      |
|   | <b>Action Text:</b> The Council Bill (CB) was submitted for Mayor's signature. to the Mayor  |            |                                    |  |      |
|   | <b>Notes:</b>  |            |                                    |  |      |
| 1 | Mayor  | 07/29/2016 | Signed                             |  |      |
|   | <b>Action Text:</b> The Council Bill (CB) was Signed.  |            |                                    |  |      |
|   | <b>Notes:</b>  |            |                                    |  |      |
| 1 | Mayor  | 07/29/2016 | returned                           | City Clerk   |      |
|   | <b>Action Text:</b> The Council Bill (CB) was returned. to the City Clerk  |            |                                    |  |      |
|   | <b>Notes:</b>  |            |                                    |  |      |
| 1 | City Clerk   | 07/29/2016 | attested by City<br>Clerk          |  |      |
|   | <b>Action Text:</b> The Ordinance (Ord) was attested by City Clerk.  |            |                                    |  |      |
|   | <b>Notes:</b>  |            |                                    |  |      |
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**CITY OF SEATTLE**

**ORDINANCE** 125084

**COUNCIL BILL** 118716

AN ORDINANCE related to increasing the Business License Tax rates and amending Section 5.45.050 of the Seattle Municipal Code.

WHEREAS, Mayor Murray's 2016 State of the City speech doubled the original goal for expanding the City's police force from 100 new officers to a total of 200; and

WHEREAS, the recently completed police staffing study validated community concerns about the need to increase police visibility and investigatory resources; and

WHEREAS, Mayor Murray's 2016 State of the City called for updates and increased capacity at the City's 911 call center; and

WHEREAS, the Seattle Police Department's (SPD) call center is facing increasing call volumes that have placed a growing strain on the current system. Calls have increased by 13 percent since 2010, and recent trends show no slowing in this growth; and

WHEREAS, initial work in developing the SPD's budget for the 2017-2018 biennium has identified the need for a number of significant information technology investments; and

WHEREAS, SPD is engaged in several large-scale technology projects. These include development of a Data Analysis Platform (DAP) that will allow SPD to both closely track individual officer performance and department-wide trends with an envisioned future state allowing for better use of available crime data to target police resources and deployment of Body-Worn Cameras to all patrol officers; and

WHEREAS, additional revenues are needed in order to fund these vital measures; and

WHEREAS, the City is increasing the current business license tax rates in two steps, with the first increase effective January 1, 2017, and the second increase effective January 1, 2018; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 5.45.050 of the Seattle Municipal Code, which section was last amended by Ordinance 123074, is amended as follows:

**5.45.050 - Imposition of the tax—Tax or fee levied**

Except as provided in subsection 5.55.040.D.1, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222. The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

B. Upon every person engaging within the City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured or processed within the City, multiplied by the

1 rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December  
2 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222. The  
3 measure of the tax is the value of the products, including by-products, so manufactured or  
4 processed, regardless of the place of sale or the fact that deliveries may be made to points outside  
5 the City.

6 C. Upon every person engaging within the City in the business of making sales of  
7 retail services, or making sales at wholesale or retail; as to such persons, the amount of tax with  
8 respect to such business shall be equal to the gross proceeds of such sales of the business without  
9 regard to the place of delivery of articles, commodities, or merchandise sold, multiplied by the  
10 rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December  
11 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222.

12 D. Upon every person engaging within the City in the business of:  
13 1. Printing;  
14 2. Both printing and publishing newspapers, magazines, periodicals, books,  
15 music, and other printed items;  
16 3. Publishing newspapers, magazines, and periodicals;  
17 4. Extracting for hire;  
18 5. Processing for hire; or  
19 6. Conducting a tour operator business; as to such persons, the amount of tax  
20 on such business shall be equal to the gross income of the business multiplied by the rate of  
21 .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017,  
22 by the rate of .00219, and beginning January 1, 2018, by the rate of .00222.

1           E.       Upon every motor carrier engaging within the City in the business of transporting  
2 freight for hire, as to such persons, the amount of the tax with respect to such business shall be  
3 equal to the gross income from the transport of freight picked up in the City multiplied by the  
4 rate of .00415 through December 31, 2016, and beginning January 1, 2017, through December  
5 31, 2017, by the rate of .00423, and beginning January 1, 2018, by the rate of .00427. The  
6 business of transporting freight for hire includes the business of leasing or renting motor vehicles  
7 operated by the lessor, or by a person under the control of the lessor, to transport freight for hire.

8           F.       Upon every person engaging within the City in the business of providing  
9 international investment management services, as to such persons, the amount of tax with respect  
10 to such business shall be equal to the gross income or gross proceeds of sales of the business  
11 multiplied by a rate of .0015 through December 31, 2016, and beginning January 1, 2017,  
12 through December 31, 2017, by the rate of .00153, and beginning January 1, 2018, by the rate of  
13 .00155.

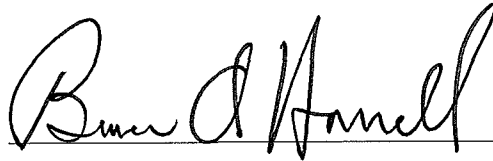
14           G.       Upon every other person engaging within the City in any business activity other  
15 than or in addition to those enumerated in the above subsections; as to such persons, the amount  
16 of tax on account of such activities shall be equal to the gross income of the business multiplied  
17 by the rate of .00415 through December 31, 2016, and beginning January 1, 2017, through  
18 December 31, 2017, by the rate of .00423, and beginning January 1, 2018, by the rate of .00427.  
19 This subsection includes, among others, and without limiting the scope hereof (whether or not  
20 title to material used in the performance of such business passes to another by accession, merger,  
21 or other than by outright sale), persons engaged in the business of developing ((;)) or producing  
22 custom software or of customizing canned software, producing royalties or commissions,  
23 persons engaged in the business of freight brokering, and persons engaged in the business of

1 rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a  
2 retail service.

3       Section 2. Pursuant to RCW 35.21.706, this ordinance is subject to the referendum  
4 procedure specified in that state law. A referendum petition may be filed within seven days of  
5 the passage of the ordinance with the filing officer of the City, which is hereby designated to be  
6 the City Clerk, located on the third floor of City Hall, 600 Fourth Avenue, Seattle, Washington.  
7 Within ten days of filing the petition, the City Clerk shall confer with the petitioner concerning  
8 the form and style of the petition, issue the petition an identification number, and secure an  
9 accurate, concise, and positive ballot title from the City Attorney. The petitioner shall then have  
10 30 days in which to secure the signatures of not less than 15 percent of the registered voters of  
11 the City, as of the last municipal general election, upon petition forms which contain the ballot  
12 title and the full text of the measure to be referred. Signed petition forms that are timely  
13 submitted to the City Clerk shall be transmitted to the King County Director of Records and  
14 Elections, who shall verify the sufficiency of the signatures on the petition and report to the City  
15 Clerk. If sufficient valid signatures are properly submitted, the City Clerk shall so inform the  
16 City Council, which shall submit the referendum measure to the voters at a special election to be  
17 held on the next City election date, as provided in RCW 29A.04.330, that occurs not less than 45  
18 days after the county's report of sufficiency is received by the City Clerk, unless a general  
19 election will occur within 90 days of receipt of that report, in which event the proposed  
20 ordinance will be submitted at the general election. State law, RCW 35.21.706, provides that the  
21 referendum procedure in this section is exclusive and that this ordinance is not subject to any  
22 other referendum or initiative process.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 25<sup>th</sup> day of July, 2016,  
and signed by me in open session in authentication of its passage this 25<sup>th</sup> day of  
July, 2016.



President \_\_\_\_\_ of the City Council

Approved by me this 28<sup>th</sup> day of July, 2016.

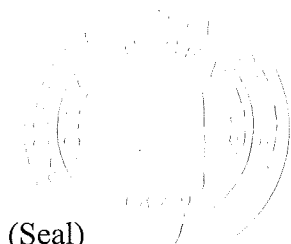


Edward B. Murray, Mayor

Filed by me this 29<sup>th</sup> day of July, 2016.



Monica Martinez Simmons, City Clerk



(Seal)