

SUMMARY and FISCAL NOTE*

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|--------------------|-----------------------------|---------------------------------|
| Department: | Dept. Contact/Phone: | Executive Contact/Phone: |
| Legislative | Erik Sund/206-684-8368 | |

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. Legislation Title:** A RESOLUTION expressing the City of Seattle’s intent to adopt a progressive income tax targeting high-income households.

- b. Summary and background of the Legislation:** This resolution states that the City Council intends to begin consideration of a progressive income tax ordinance by May 31 2017, with the goal of Full Council passage by July 10, 2017. In developing the ordinance, the Council intends to work with both the Executive branch of City government and the Trump Proof Seattle Coalition, and may engage external legal counsel if necessary.

Some elements of the income tax ordinance that will need to be determined as part the development process include:

- a. What types of income can and will be taxed;
- b. The threshold above which such income will be taxed;
- c. The rate of tax;
- d. The use of revenues raised from the tax; and
- e. The administrative mechanisms necessary to accurately collect and enforce the tax.

The resolution further states that the guiding principle in the development of the income tax ordinances will be to establish the strongest possible progressive income tax model and to provide an example for other municipalities throughout Washington State. The legal viability of the ordinance be the primary consideration in resolving the design questions above.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project?** ___ Yes x No
 If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

| Project Name: | Project I.D.: | Project Location: | Start Date: | End Date: | Total Project Cost Through 2022: |
|----------------------|----------------------|--------------------------|--------------------|------------------|---|
| | | | | | |

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? ___ Yes x No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

| | | | | |
|---------------------------------------|--------------------------------|-------------|-------------------------------|-------------|
| Budget program(s) affected: | | | | |
| Appropriation change (\$): | General Fund \$ | | Other \$ | |
| | 2017 | 2018 | 2017 | 2018 |
| Estimated Revenue change (\$): | Revenue to General Fund | | Revenue to Other Funds | |
| | 2017 | 2018 | 2017 | 2018 |
| Positions affected: | No. of Positions | | Total FTE Change | |
| | 2017 | 2018 | 2017 | 2018 |

b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

This resolution would not directly impact the finances of the City.

c. Is there financial cost or other impacts of *not* implementing the legislation?

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

This resolution would not directly impact the finances of the City.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.d., 3.e., and 3.f. and answer the questions in Section 4.

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

| Fund Name and number | Dept | Budget Control Level Name/#* | 2017 Appropriation Change | 2018 Estimated Appropriation Change |
|-----------------------------|-------------|-------------------------------------|----------------------------------|--|
| | | | | |
| TOTAL | | | | |

**See budget book to obtain the appropriate Budget Control Level for your department.*

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Appropriations Notes:

3.e. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Dept | Revenue Source | 2017 Revenue | 2018 Estimated Revenue |
|----------------------|------|----------------|--------------|------------------------|
| | | | | |
| TOTAL | | | | |

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Revenue/Reimbursement Notes:

3.f. Positions

This legislation adds, changes, or deletes positions.

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

| Position # for Existing Positions | Position Title & Department* | Fund Name & # | Program & BCL | PT/FT | 2017 Positions | 2017 FTE | Does it sunset? (If yes, explain below in Position Notes) |
|-----------------------------------|------------------------------|---------------|---------------|-------|----------------|----------|---|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | | | |

* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

Position Notes:

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

This resolution calls for the Executive and Legislative branches of City government to work together but is not binding on any department.

b. Is a public hearing required for this legislation?

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

If yes, please describe the measures taken to comply with RCW 64.06.080.

No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No.

e. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.

This resolution would not directly impact any communities. The ultimate impact of the tax ordinance envisioned in the resolution would depend on the details of the ordinance.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

This answer should highlight measurable outputs and outcomes.

This resolution would not directly expand City programs. The tax ordinance envisioned in the resolution would established a new revenue source for the City.

h. Other Issues:

List attachments/exhibits below: