

**2019 - 2020 Seattle City Council Statement of Legislative Intent**

**Ready for Notebook**

Tab	Action	Option	Version
1	5	B	1

**Budget Action Title:** Request to CBO for legislation creating a Sweetened Beverage Tax fund and a Short-Term Rental tax fund and establishing spending guidance

Ongoing: No

Primary Sponsor: O'Brien, Mike

Councilmembers: González; Herbold; Juarez; Mosqueda; Sawant

Staff Analyst: Yolanda Ho; Aly Pennucci

Date	Total	BC	SB	TM	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

**Statement of Legislative Intent:**

Council requests that the City Budget Office (CBO) develop draft legislation related to the Sweetened Beverage Tax (SBT) and the Short-Term Rental (STR) tax for Council consideration. Draft legislation for both funds should be submitted to Council, with a copy submitted to the Chair of the Finance and Neighborhoods Committee, and the Executive Director of Central Staff, no later than March 29, 2019.

**Sweetened Beverage Tax**

This legislation should: (1) create a separate fund for SBT proceeds and (2) provide guidance for the spending of SBT revenues. This guidance should consider funding recommendations developed by the SBT Community Advisory Board (CAB) and prioritize creating new or expanding existing programs that align with SBT spending priorities.

CBO should develop this legislation in consultation with the CAB, an independent body staffed by the Office of Sustainability and Environment that advises and makes recommendations to the Mayor and Council, including recommendations for the allocation of SBT revenues to programs.

**Short-term Rental Tax**

This legislation should: (1) create a separate fund for revenues remitted from the Washington State Convention Center Public Facilities District that are generated from short-term rental activity (STR Tax) in the city and (2) provide guidance for expenditures. This guidance should include priorities identified by Council in accordance with the statutory restrictions on the spending of the tax revenues. The fund should include explicit restrictions ensuring that:

1. The first \$5,000,000 of revenues generated from the STR Tax go to Equitable Development Initiative grants;
2. The next \$2,200,000 of revenues go to new affordable housing projects or are directed to debt service payments on bonds issued for affordable housing projects; and
3. The remaining revenues go to Equitable Development Initiative grants, including the affordable housing component of those projects.

CBO should seek feedback from the Race and Social Equity Task Force and Equitable Development Initiative Interim Advisory Board.

**Responsible Council Committee(s):** Finance and Neighborhoods Committee

**Date Due to Council:** March 29, 2019