

SUMMARY and FISCAL NOTE*

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** 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

Legislation Title: AN ORDINANCE relating to regulatory business and professional license fees; adjusting business and professional license fees associated with the regulated activities of public parking lots and garages, used goods, adult entertainment, and marijuana; and amending Seattle Municipal Code Sections 6.48.020, 6.204.080, 6.270.060, and 6.500.080.

Summary and background of the Legislation: The proposed legislation increases seven regulatory license fees for four of the industries regulated by the FAS Regulatory Compliance and Consumer Protection Division (RCCP), to be effective January 1, 2019.

The overall increase in fees will help to support the City’s compliance and regulatory program and associated technology costs. Regulatory license fees help to fund the costs of services performed by FAS RCCP. In addition, the proposed adjusted fees help to fund cost recovery for the design and implementation of the Accela Integrated Code Management System (ICMS), the single-platform system that will manage regulatory license and code enforcement activities. As outlined in BIP FAS-350, the 2018 budget appropriated funding for the ICMS project, with funding coming from increases in license revenues that vary by industry for a range of one to ten years. Each industry is separately charged its share of the ICMS project’s cost.

The legislation proposes fee increases ranging from 13 to 167 percent for seven of the regulatory fees. Tables 1 and 2 in the exhibits provide overviews of proposed adjusted fees.

2. CAPITAL IMPROVEMENT PROGRAM

a. Does this legislation create, fund, or amend a CIP Project? ___ Yes ___X_ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2019	2020	2019	2020

Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2019	2020	2019	2020
	\$457,000	\$457,000		
Positions affected:	No. of Positions		Total FTE Change	
	2019	2020	2019	2020
	0	0	0	0

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?

No.

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

Loss of the proposed revenue increase will result in greater need for General Fund support of the the Regulatory and Compliance Program.

3.d. Appropriations

 This legislation adds, changes, or deletes appropriations.

3.e. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2019 Estimated Revenue	2020 Estimated Revenue
General Fund 00100	FAS	Regulatory License Fees	\$457,000	\$457,000
TOTAL			\$457,000	\$457,000

Is this change one-time or ongoing?

License fees are ongoing. The technology component of the fee is anticipated to sunset or be reduced after ten years.

Revenue/Reimbursement Notes:

3.f. Positions

 This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

No.

- b. **Is a public hearing required for this legislation?**

No.

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

No.

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

No.

- e. **Does this legislation affect a piece of property?**

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?**

The proposed increase in license fees may impact historically disadvantaged people who are required to obtain regulatory licenses based on type of employment. The alternative to increasing these fees, however, is that general government resources would be used to support industry-specific regulation.

- 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).**

N/A

List attachments/exhibits below:

Table 1 - License Count, Fees and Projected Revenue

Table 2 - License Fees, % of Adjustments, and Last Year Adjusted

Industry	License Type	2018			2019 Projections for Recommended Fee Adjustments					Adjusted Fee Change
		# Units	Fee	Proj Rev	# Units	License Fee	Tech Fee (1)	Total Adj Fee	Total Adj Rev	Total Change Lic Rev (2018 vs 2019)
Parking Lots/Garage	Per 1,000 square ft	16,375,952	\$6.00	\$98,256	16,375,952	\$9	\$1.25	\$10.25	\$167,854	\$69,598
Used Goods	Used Goods Dealer	300	\$137.00	\$41,100	300	\$194	\$14.00	\$208.00	\$62,400	\$21,300
Adult Entertainment	Premise	9	\$755.00	\$6,795	9	\$755	\$150	\$905.00	\$8,145	\$1,350
Adult Entertainment	Entertainer	787	\$150.00	\$118,050	787	\$150	\$20	\$170.00	\$133,790	\$15,740
Adult Entertainment	Manager	104	\$152.00	\$15,808	104	\$152	\$64	\$216.00	\$22,464	\$6,656
Marijuana	Inside City	117	\$1,500.00	\$175,500	117	\$3,000	\$500.00	\$3,500.00	\$409,500	\$234,000
Marijuana	Outside City	87	\$750.00	\$65,250	87	\$1,500	\$500.00	\$2,000.00	\$174,000	\$108,750
Totals				\$520,759		\$5,760	\$1,249		\$978,153	\$457,394

Industry	License Type	SMC Code	2018	Proposed 2019 Adjusted Fee & % of Fee Change				Last Fee Adjustment		
			License Fee	License Fee	Tech Fee (1)	Total Adj Fees	% of Fee Change	Year	Ordinance	Previous Fee
Parking Lots/Garage	Per 1,000 square ft	SMC 6.48.020	\$6.00	\$9	\$1.25	\$10.25	71%	2007	122192	\$90
Used Goods	Used Goods Dealer	SMC 6.204.080	\$137.00	\$194	\$14.00	\$208.00	52%	2017	125449	\$130
Adult Entertainment	Premise	SMC 6.270.060	\$755.00	\$755	\$150	\$905.00	20%	2017	125449	\$720
Adult Entertainment	Entertainer	SMC 6.270.060	\$150.00	\$150	\$20	\$170.00	13%	2017	125449	\$145
Adult Entertainment	Manager	SMC 6.270.060	\$152.00	\$152	\$64	\$216.00	42%	2017	125449	\$145
Marijuana	Inside City	SMC 6.500.080	\$1,500.00	\$3,000	\$500.00	\$3,500.00	133%	2016	125194	\$1,000
Marijuana	Outside City	SMC 6.500.080	\$750.00	\$1,500	\$500.00	\$2,000.00	167%	2016	125194	\$750