

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE repealing Ordinance 125442, which imposed a tax on short-term rental operators under Chapter 5.54 of the Seattle Municipal Code.

..body

WHEREAS, on November 13, 2017, the City Council passed Ordinance 125442, authorizing a tax on every person engaging within the City in the business of being a short-term rental operator; and

WHEREAS, Revised Code of Washington (RCW) 36.100.040 allows a public facilities district, created within a county with a population of 1,500,000 or more for the purpose of acquiring, owning, and operating a convention and trade center, to impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than 60 lodging units; and

WHEREAS, on March 23, 2018, the Governor signed House Bill (HB) 2015, modifying the lodging excise tax under RCW 36.100.040 to remove the exemption for premises with fewer than 60 lodging units and to impose the tax on short-term rentals; and

WHEREAS, HB 2015 requires that a public facilities district within a county with a population of 1,500,000 or more must make quarterly payments to a city in which the convention and trade center is located from tax revenue from short-term rentals collected by a public facilities district only if: (1) the city had authorized on or before December 31, 2017, a tax on engaging in the business of being a short-term rental operator; and (2) the city has repealed the ordinance authorizing a tax on engaging in the business of being a short-term rental operator; and

1 WHEREAS, the City Council stated in Ordinance 125422: “To maintain a level playing field for
2 the short-term rental industry and other lodging businesses, the Council intends to
3 monitor proposals for any taxes imposed by the Washington State Convention Center
4 Public Facilities District, King County, or the State of Washington, on the short-term
5 rental industry. The City will work with such jurisdictions to ensure that short-term rental
6 businesses are not subject to a short-term rental tax at the State or County level in
7 addition to a City of Seattle short-term rental tax. In the event any short-term rental tax is
8 imposed by any such jurisdiction and the jurisdiction imposing such tax enters into a
9 legally binding agreement with the City to provide to the City proceeds equivalent to the
10 City’s collections from tax authorized under this ordinance, the City may commit in such
11 agreement with the other jurisdiction to suspend collection of the City’s tax for the
12 duration of the term of such agreement”; and

13 WHEREAS, as a result of HB 2015, the public facilities district that operates the Washington
14 State Convention Center will impose the lodging tax under RCW 36.100.040 on short-
15 term rentals in the City and, in order to receive the tax revenue from short-term rentals as
16 authorized by HB 2015, the City hereby intends to repeal Ordinance 125442, thereby
17 repealing the City’s short-term rental tax that would have been imposed under Chapter
18 5.54 of the Seattle Municipal Code beginning January 1, 2019; NOW, THEREFORE,

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

20 Section 1. Ordinance 125442 (included as Attachment 1 to this ordinance), which
21 imposed a short-term rental tax under Chapter 5.54 beginning January 1, 2019, is hereby
22 repealed.

1 Section 2. Section 1 of this ordinance shall take effect on **August 1, 2018**.

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

5 Passed by the City Council the _____ day of _____, 2018,
6 and signed by me in open session in authentication of its passage this ____ day of
7 _____, 2018.

8 _____
9 President _____ of the City Council

10 Approved by me this _____ day of _____, 2018.

11 _____
12 Jenny A. Durkan, Mayor

13 Filed by me this _____ day of _____, 2018.

14 _____
15 Monica Martinez Simmons, City Clerk

16 (Seal)

17 Attachments:
18 Attachment 1 – Ordinance 125442