

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Yolanda Ho/256-5989	N/A

** 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 related to creating a fund for Sweetened Beverage Tax revenues; adding a new Section 5.53.055 to the Seattle Municipal Code; and providing additional guidelines for expending proceeds.

Summary and background of the Legislation: In 2017, the Council established the Sweetened Beverage Tax (SBT), which imposes a tax on businesses that distribute sugar-sweetened beverages, through Ordinance 125324. This legislation would: create a Sweetened Beverage Tax fund to track revenues collected from the tax and expenditures by City departments; codify financial policies for revenues included in Ordinance 125324 by adding a new section to Chapter 5 of the Seattle Municipal Code; increase flexibility for the allocation of funds to one-time and limited-term expenditures, allowing up to 10 percent of SBT proceeds to be used for these purposes; and require that all SBT revenues be used solely for expanding existing programs or creating new programs that align with SBT financial policies, beginning on the effective date of the ordinance.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

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?

This legislation would impact about \$6.3 million of SBT proceeds that were used to supplant General Fund resources in the endorsed 2020 budget and may impact supplemental 2019 budgets, if they propose to use SBT revenues to supplant other funding resources.

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

No.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
Programs where SBT revenues were used to supplant General Fund resources could be reduced or eliminated as a result of this legislation, barring other budget cuts or creation of new revenue sources to backfill the removal of SBT funds. These programs are administered by the Office of Sustainability and Environment, the Human Services Departments, and the Department of Education and Early Learning. If the necessary funds are located, the intent of this legislation is to increase spending for those and other programs in accordance with statute.
- 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?**
This legislation is intended to ensure that SBT revenues are used to increase services for Seattle residents most likely to be impacted by the tax, who are typically low-income, communities of color.
- 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).**
Not applicable.

List attachments/exhibits below:

None.