

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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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 taxation; imposing a tax on transportation network companies; adding a new Chapter 5.39 to the Seattle Municipal Code; and amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, and 5.55.230 of the Seattle Municipal Code.

Summary and background of the Legislation: The City intends to exercise its taxing authority, as granted by the Washington State Constitution and as authorized by the Washington State Legislature, to impose a tax on Transportation Network Companies (TNCs) operating in the City. The new tax would be imposed at \$0.57 per ride that originates within the city limits of the City of Seattle. No tax would be due from a transportation network company that reports fewer than one million trips that originate in the City in the prior calendar quarter.

\$0.06 of the tax will be offset by lowering of an existing fee on TNC rides in the City. Companion legislation to this bill lowers that fee.

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

Appropriation change (\$):	General Fund \$		Other \$	
	2020	2021	2020	2021
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
	\$9,417,005	\$19,911,013		
Positions affected:	No. of Positions		Total FTE Change	
	2020	2021	2019	2020

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 will be complemented by proposed appropriations in the 2020 that provide funding for the Department of Finance and Administrative Services (FAS) to allow for implementation and collection of this tax and for the estimated first half-year of revenues to be held in Finance General, pending future appropriation.

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

Not implementing the legislation would not cause any additional financial costs, but proposed expenditures for Affordable Housing, Transportation, Worker Protections and Tax Administration set out in the companion spending Resolution would not be available to the City.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
General Fund (00100)		Seattle TNC Tax	\$9,417,055	\$19,911,013
TOTAL			\$9,417,055	\$19,911,013

Is this change one-time or ongoing?

This is an ongoing change.

Revenue/Reimbursement Notes:

The spending plan for these additional revenues is included as part of the companion Resolution. The 2020 revenue number assumes revenues are collected starting July 1, 2020.

3.c. Positions

This legislation adds, changes, or deletes positions.

Position Notes: The anticipated impact of this legislation is the addition of 3.0 FTE positions in FAS. Those positions will be legislated in 2020.

4. OTHER IMPLICATIONS

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

The Department of Finance and Administrative Services will administer the tax. The uses of proceeds from the tax are discussed in the companion Resolution to this legislation.

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? What is the Language Access plan for any communications to the public?

The proceeds from tax will be used to provide support to affordable housing near frequent transit, transportation, and a driver conflict resolution center and other driver protections. People of color are disproportionately affected by rising costs associated with housing affordability and access to transportation. In addition, the Driver Resolution Center will provide resolution services to TNC drivers and TNCs, which may include services such as providing a venue for drivers to contest deactivation by a TNC. Many drivers are people of color and/or immigrants.

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).

Revenues from the tax will be reported at least annually once the tax is being collected. Evaluation methods for the programs funded by the revenue stream will be detailed as those programs are funded once the tax is in effect.

List attachments/exhibits below: