

# 2020 Seattle City Council Budget Action

## Agenda

Tab	Action	Option	Version
TNCTAX	103	B	1

**Budget Action Title:** Substitute CB 119684 vD4 for vD2e and pass

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: Yes

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Amy Gore

Council Bill or Resolution: CB 119684

Date		Total	LH	BH	KS	AP	DJ	MO	SB	TM	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

### Budget Action Description:

This action substitutes version D4 of Council Bill (CB) 119684, shown in Attachment 1, for version D2e. The substitute bill:

- (1) Makes clarifying and technical corrections;
- (2) Removes the supplemental tax of six cents and increases the base Transportation Network Company (TNC) tax by six cents;
- (3) Amends Section 12 of the bill so that the list of specified transportation and transit investments that are intended to be funded with TNC tax revenues includes the Center City Streetcar Connector, the purchase of transit service, additional support for the Sound Transit West Seattle and Ballard Link Extension, and a transportation assistance voucher program; and
- (4) Adds a new section to the bill to clarify that the TNC tax revenues appropriated to the Seattle Department of Transportation (SDOT) are not counted as part of the "Minimal Annual GSF Appropriation" as required in Section 5 of Ordinance 124796.

This action also passes CB 119684 which creates a \$0.57 per ride tax for TNC trips originating anywhere within the City of Seattle operated by TNC companies that provided at least one million rides in the preceding quarter. The tax will go into effect on July 1, 2020; revenues are anticipated beginning in October 2020. Based on the estimated number of rides, a tax rate of \$0.57, and a July 1, 2020 effective date, the proposed tax would generate an estimated \$8.9 million in 2020.

In the 2020 Proposed Budget, \$1.5 million of TNC tax revenue is appropriated to Finance and Administrative Services; the remaining \$7.3 million in revenue is in Finance General Reserves to be appropriated through a separate ordinance to SDOT, OH, OLS and FAS as described in the spending plan in Resolution 31914. The Chair's Balancing Package transfers \$2.7 million of 2020 TNC tax revenues from Finance General Reserves to SDOT to fund transportation projects, including Fortson Square, Market to

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MOHAI, and the redesign of Thomas Street.

The legislation also amends several sections of Seattle Municipal Code (SMC) 5.55 to add the proposed TNC tax to existing general administrative provisions of the SMC, such as records preservation, rulemaking, and applicable violations and penalties, so that these provisions would also apply to the TNC tax.