

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Ted Virdone / x48803	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:

A RESOLUTION supporting the taxation of big businesses in Seattle to fund housing and essential services, urging the Washington State Legislature to oppose any “preemption” or other ban on Seattle’s ability to raise revenue through big business taxes or other progressive revenue sources, and requesting the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

Summary and background of the Legislation:

In January, 2020, McKinsey & Company issued a report, “Why does prosperous King County have a homelessness crisis?”, which found that, “Using a conservative set of assumptions, ending the homelessness crisis in King County would therefore cost between \$4.5 billion and \$11.0 billion over ten years, or between \$450.0 million and \$1.1 billion each year for the next ten years.

In January 2020, the Tax Amazon movement in Seattle organized hundreds of people into a political fight for affordable social housing to be funded through a \$300-\$500 million per year progressive tax on Seattle’s largest businesses.

On January 30, 2020, Washington State House Bill 2907, and on February 3, 2020, Washington State Senate Bill 6669, were introduced in the Washington State Legislature, which would authorize King County to tax businesses to raise no more than an estimated \$121 million per year countywide to fund housing and services.

The largest businesses in King County have been widely reported to have advocated for HB 2907 and SB 6669 to include a ban on the City of Seattle from enacting these big business taxes, known as “preemption.”

This resolution urges the Washington State Legislature to oppose any preemption or other ban on Seattle’s ability to raise revenue through big business taxes or other progressive revenue sources. It opposes the passage of any legislation which preempts the city from taxing big business, and urges the Washington State Legislature to reject any amendment to HB 2907 and SB 6669 which would include preemption;

It also finds the maximum tax rate in HB2907 and SB 6669 to be far from adequate to address the housing and homelessness crisis in King County, and urges the Washington State Legislature to remove the limit on the authority to tax big business granted to the King County in these bills.

This resolution urges Mayor Jenny Durkan to defend the City of Seattle’s authority to tax big business, and to publicly oppose all efforts to include preemption in HB 2907 and SB 6669, and

requests that the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

2. CAPITAL IMPROVEMENT PROGRAM

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

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2023:

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

If there are no changes to appropriations, revenues, or positions, please delete the table below.

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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

NO

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

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

NO

If there are no changes to appropriations, revenues, or positions, please delete sections 3.d., 3.e., and 3.f. and answer the questions in Section 4.

4. OTHER IMPLICATIONS

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

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

NO

b. Is a public hearing required for this legislation?

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

NO

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

If yes, please describe the measures taken to comply with RCW 64.06.080.

NO

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

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

NO

e. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

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?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.

This resolution supports increased resources for social housing and services.

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).

This answer should highlight measurable outputs and outcomes.

List attachments/exhibits below: