



Legislation Text

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File #: CB 119376, Version: 1

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to the taxation of sweetened beverages; amending Ordinance 125324 to amend the uses of the proceeds of the Sweetened Beverage Tax.

WHEREAS, the City imposed a tax on the business of distributing sweetened beverages to raise revenue to fund services that promote healthy food choices, expand access to healthy and affordable food, reduce disparities in social, developmental, and education readiness and learning for children, assist high school graduates to enter college, and expand services for the birth-to-five population and their families; and

WHEREAS, the City initially projected in 2017 that the revenues received from the tax would decline starting in 2019; and

WHEREAS, the City now projects that revenues will be higher than initially projected and that the revenues will increase over time rather than decrease; and

WHEREAS, Section 3 of Ordinance 125324 requires that, for the first five years after the tax was imposed, 20 percent of the revenues be dedicated for one-time uses including (a) one-time costs necessary to enable the administration of the tax, (b) up to \$5,000,000 in total contribution to an endowment for the Seattle Colleges 13<sup>th</sup> Year Promise Scholarship program, (c) up to \$1,500,000 in total as funding for job retraining and placement programs for workers adversely impacted by the tax, and (d) funding for capital projects to construct or enhance classroom facilities for use by the Seattle Preschool Program; NOW, THEREFORE,

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

Section 1. Section 3 of Ordinance 125324 is hereby amended as follows:

Section 3. Services funded by the proceeds of the beverage tax are intended to expand access to healthy and affordable food, close the food security gap, promote healthy nutrition choices, reduce disparities in social, developmental, and education readiness and learning for children, assist high school graduates enter college, and expand services for the birth-to-five population and their families.

A. For the first five years that the tax is collected, ~~((20 percent))~~ a portion of the net proceeds shall be used to fund one-time expenditures to administer the tax, in support of education, and for training programs. Eligible expenditures include, in order of priority:

1. One-time costs necessary to enable the administration of the tax;
2. Up to \$5,000,000 in total as a contribution to an endowment for the Seattle Colleges 13th Year Promise Scholarship program;
3. Up to \$1,500,000 in total as funding for job retraining and placement programs for workers adversely impacted by the tax; and
4. Funding for capital projects to construct or enhance classroom facilities for use by the Seattle Preschool Program.

The portion of the net proceeds that shall be used for the above eligible expenditures shall be as follows: 20 percent in the first year; and 10 percent in each of the second, third, fourth, and fifth years of collections.

Beginning in the sixth year of collections, ~~((the 20 percent set aside under this subsection A shall cease and))~~ all net proceeds from the tax collected shall be for programs defined in subsection B of this section.

B. ~~((The remainder of))~~ Except as required by subsection A of this section, net proceeds from the beverage tax shall be used to support, in order of priority:

1. Expanding access to healthy and affordable food, closing the food security gap, and promoting healthy food choices through programs including, but not limited to:

- a. Community-based investments to expand food access, such as food banks and meal programs;
  - b. Fresh Bucks and Fresh Bucks to Go;
  - c. Implementation of the Seattle Food Action Plan;
  - d. Public health and nutrition programs targeted to assist persons experiencing diabetes and obesity;
  - e. Public awareness campaigns to highlight the impact of sugar-sweetened beverages on health outcomes and increase education about healthy food and beverages; and
  - f. Capital investments to promote healthy choices, such as water bottle filling stations in schools and community centers.
2. Evidence-based programs that improve the social, emotional, educational, physical, ~~((health,))~~ and mental health ~~((for))~~ of children, especially those services that seek to reduce the disparities in outcomes for children and families based on race, gender, or other socioeconomic factors and to prepare children for a strong and fair start in kindergarten.
  3. Administration of assessing and collecting the tax.
  4. Ensuring resources for the Office of Sustainability and the Environment and the Sweetened Beverage Tax Community Advisory Board.
  5. The cost of program evaluations conducted by the Office of the City Auditor under subsection 5.B of this ordinance, including costs borne by other City departments in facilitating such evaluations.

In the annual City budget or by separate ordinance, the City's legislative authority shall from year to year determine the services and funding allocations that will most effectively achieve the goals and outcomes in accordance with chapter 35.32A RCW.

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if

not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2018, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)