



Legislation Text

File #: CB 119681, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Sweetened Beverage Tax revenues; creating a cash balance reserve in the Sweetened Beverage Tax Fund to offset future revenue shortfalls and maintain program expenditures; and amending Section 5.53.055 of the Seattle Municipal Code.

WHEREAS, on June 5, 2017, the City Council passed Ordinance 125324, imposing a tax on engaging in the business of distributing sweetened beverages (“Sweetened Beverage Tax”), with specific direction on how the proceeds generated from the Sweetened Beverage Tax should be expended; and

WHEREAS, services funded by the proceeds of the Sweetened 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 to enter college; and expand services for the birth-to-five population and their families; and

WHEREAS, on November 19, 2018, the City Council passed Ordinance 125718, amending Section 3 of Ordinance 125324 concerning use of proceeds of the Sweetened Beverage Tax, to account for higher revenue projections; and

WHEREAS, on July 22, 2019, the City Council passed Ordinance 125886, creating a fund for Sweetened Beverage Tax revenues and providing additional guidelines for expending proceeds; and

WHEREAS, this legislation will create a reserve to protect against future revenue shortfalls and is intended to encourage City departments to seek non-City funding sources to expand existing programs or create new programs that align with the financial policies of the Sweetened Beverage Tax; NOW,

THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.53.055 of the Seattle Municipal Code, last amended by Ordinance 125886, is amended as follows:

5.53.055 Sweetened beverage tax - Allocation of proceeds

* * *

C. Beginning on January 1, 2020, up to \$2,000,000 may be reserved as a cash balance in the Sweetened Beverage Tax Fund, deposited as a financial reserve to offset future revenue shortfalls. This revenue shall be segregated in a separate reserve designated by the Finance Director or designee, and shall be used to maintain existing program expenditures, in accordance with subsection 5.53.055.B.

D. Beginning on the effective date of this Section 5.53.055 and thereafter, all revenues shall be used to either expand existing programs or create new programs, including associated program cost increases, that are in accordance with subsection 5.53.055.B, and may not be used to supplant appropriations from other funding sources, excluding grants, loans, gifts, in-kind contributions, or other funding mechanisms provided from non-City sources. Revenues may be used to maintain program expansions, and new programs in accordance with subsection 5.53.055.B.

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 _____, 2019, and signed by me in open session in authentication of its passage this _____ day of _____, 2019.

President _____ of the City Council

Approved by me this _____ day of _____, 2019.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2019.

Monica Martinez Simmons, City Clerk

(Seal)