



Legislation Text

File #: Res 31934, Version: 1

CITY OF SEATTLE

RESOLUTION _____

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.

WHEREAS, on May 14, 2018, the Seattle City Council passed Council Bill 119250 establishing a tax on

Seattle’s largest businesses, projected to raise an estimated \$48 million per year to fund affordable housing and homeless services; and

WHEREAS, on June 12, 2018, the Seattle City Council passed Council Bill 119280 repealing that tax on

Seattle’s largest businesses; and

WHEREAS, 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”; and

WHEREAS, the high cost of housing in Seattle has made renting or owning a home increasingly unaffordable,

not only for people with the least income, but also for many working people; and

WHEREAS, 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; and

WHEREAS, 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 Country to tax businesses to raise no more than an estimated \$121 million per year countywide to fund housing and services; and

WHEREAS, HB 2907 and SB 6669 do not directly tax businesses, instead giving King County a limited option to tax businesses; and

WHEREAS, 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”; and

WHEREAS, on February 5, 2020, the Seattle Times reported that state legislators “have signaled an open mind on the issue” and “have not made up [their] mind about preemption”; and

WHEREAS, Seattle Mayor Jenny Durkan has not publicly opposed preemption, banning the City of Seattle from taxing big business to pay for housing and essential services; and

WHEREAS, the maximum business tax authorized in HB 2907 and SB 6669 is far from adequate to match the scale of the housing and homelessness crisis in King County detailed in the McKinsey report; and

WHEREAS, if HB 2907 and SB 6669 include preemption, banning Seattle from enacting taxes on big business, it would do permanent damage to the ability to raise the progressive revenues commensurate with Seattle residents’ needs; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:

Section 1. The Seattle City Council supports progressive taxes, which collect revenue from big business and the super-rich, and oppose regressive taxation, which disproportionately places the tax burden on the poor, working people, ordinary homeowners, and small businesses. The Seattle City Council supports the taxation of big businesses in Seattle to fund housing and essential services.

Section 2. The Seattle City Council 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. The Seattle City Council 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 that would include preemption.

Section 3. The Seattle City Council finds the maximum tax rate in HB 2907 and SB 6669 to be far from adequate to address the housing and homelessness crisis in King County, and the Council urges the Washington State Legislature to remove the limit on the authority to tax big business granted to the King County in these bills.

Section 4. The Seattle City Council 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.

Section 5. The Seattle City Council requests that the Office of Intergovernmental Relations transmit this resolution to Washington State lawmakers.

Adopted by the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its adoption this _____ day of _____, 2020.

President _____ of the City Council

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)