



Legislation Text

File #: CB 119859, **Version:** 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to taxation; delaying the effective date of the heating oil tax on heating oil service providers under Chapter 5.47 of the Seattle Municipal Code; and delaying the date of the Office of Sustainability and Environment's first annual heating oil tax program status report.

WHEREAS, on September 23, 2019, the Seattle City Council passed Ordinance 125934 to add a new Chapter

5.47 to the Seattle Municipal Code to impose a tax on heating oil service providers; and

WHEREAS, under Section 16 of Ordinance 125934, the provisions of the ordinance imposing the heating oil tax take effect on September 1, 2020; and

WHEREAS, it is expected that many heating oil service providers will pass on the cost of the heating oil tax to their customers; and

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19; and

WHEREAS, on March 3, 2020, Mayor Durkan issued a Proclamation of Civil Emergency declaring a civil emergency within the City of Seattle based on the confirmed spread of COVID-19 in King County and the resulting deaths and illness; and

WHEREAS, the COVID-19 crisis and the state of emergency continue and are causing severe harm to the economy; and

WHEREAS, imposing the heating oil tax on September 1, 2020, during the COVID-19 crisis may cause undue hardship to certain households that purchase heating oil; and

WHEREAS, the Seattle City Council intends therefore to delay the effective date of the heating oil tax by one year to September 1, 2021; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 15 of Ordinance 125934 is amended as follows:

Section 15. The Council requests that the Office of Sustainability and Environment (OSE):

A. Provide a status update on outreach efforts to date regarding the new heating oil tax by July 1, 2020. The update should include the number of households contacted; any changes in the number of low-income households with oil heat enrolled in the City's Utility Discount Program following outreach efforts; a summary of feedback from residents, labor unions, and heating oil service providers, received during outreach efforts, including a description of challenges encountered during the outreach process; and proposed strategies for overcoming these challenges, if applicable; and

B. Report annually on Heating Oil Tax program status, including the number of homes the City has helped convert from oil heat to electricity and outcomes of workforce development support, and collaborate with the Office of Economic Development, Seattle Department of Construction and Inspections, and the Office of Housing to determine a methodology to assess the following potential impacts of the Heating Oil Tax:

1. Job losses, gains, and retention in the Seattle area's home heating, ventilation, and air conditioning industry, with a focus on workers represented by labor unions and family-wage jobs, and what additional investments are necessary to support workers in the event of net job losses; and

2. Rates of conversion from oil heating systems to electric systems in homes occupied by renters enrolled in the Utility Discount Program, including identifying who is paying the costs of conversion and whether additional measures are necessary to alleviate the costs if renters are overly

burdened.

3. Analysis of the viability to extend the heating oil tax reimbursement to households whose income is between 70 percent state median income and 80 percent area median income. OSE is requested to report to Council by July 1, ((2021)) 2022, and every year thereafter up to 2028.

Section 2. Section 16 of Ordinance 125934 is amended as follows:

Section 16. Sections 1 through 13 of this ordinance shall take effect on September 1, ((2020)) 2021, and no tax under Chapter 5.47 of the Seattle Municipal Code shall be imposed prior to September 1, 2021.

Section 3. The Council requests that the Office of Sustainability and Environment provide a status report by June 1, 2021, regarding the Pollution Liability Insurance Agency's rulemaking for the new Heating Oil Loan and Grant Program, with a focus on how the program will avoid creating a undue economic hardship on low- and middle-income homeowners with oil heating systems, or how the City will implement the Heating Oil Tax and home conversion program to protect low- and middle-income homeowners from undue economic hardship. Additionally, the report should provide a summary of feedback from stakeholders, including but not limited to residents, labor unions, community organizations, the Environmental Justice Committee, and/or the Green New Deal Oversight Board, about whether the effective date of the Heating Oil Tax should be September 1, 2021, or if economic conditions, the status of the COVID-19 pandemic, and other related factors are such that an additional delay is recommended.

Section 4. 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 _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)