



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# **CB 120619 – Amusement Device Licensing Repeal**

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PUBLIC ASSETS AND HOMELESSNESS

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# Policy Summary

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This legislation would repeal the requirement for businesses to obtain a license and pay a license fee before providing an amusement device for public use.

# Policy Goals

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## Policy Goals

*As the City transitions to a post-pandemic environment:*

- Reduce the barrier to entry for amusement-oriented businesses in Seattle
- Provide economic relief to current businesses that rely on amusement devices

# Amusement Device Definition

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Seattle Municipal Code Section 5.30.020.C:

- Any machine or device which provides recreation or entertainment for which a charge is made for use or play. It includes, but is not limited to:
  - Pool and billiard tables
  - Shuffleboards
  - Music machines
  - Video games
  - Pinball games
  - Riding devices
  - Panoram and peepshow devices
  - Televisions and devices for display of pictures or views on film
- Does not include machines used exclusively for vending merchandise

# Current Amusement Device License Fees

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- The annual license fee for an amusement device that is activated upon insertion of payment is 100 times the price of one play or use of the device, rounded to the next highest \$50.
  - Not to exceed \$1,500 per device per year.
- The license fee for other amusement devices is a flat \$500 per year.
- The license fee is further capped depending on the specific type of amusement device.
  - Countertop device or electronic dart board capped at \$25 per year
  - Pool tables, shuffle boards, music devices are capped at \$50 per year
- Operators of special events that have amusement devices pay a maximum fee of \$100 per event.

# Amusement Device Income Subject to Other Taxes

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- Many of these amusement devices generate business income that is not subject to sales tax, and thus the license fees allow for additional revenue capture of this business activity.
- Some amusement devices are subject to sales tax according to WAC 458-20-187. These devices include air hockey, billiards, pool, foosball, darts, shuffleboard, ping pong, and similar games.
- The revenue from other amusement devices – such as pinball and arcade games – would still be subject to a Business and Occupation (B&O) tax under the “Services and other Activities” classification.

# Other Jurisdictions

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- The requirements for amusement device licenses in different municipalities within King County vary, but are typically a flat dollar amount per device, if an amusement device license is required at all.

City	License Fee
Federal Way	\$100 per “novelty amusement device
Kent	\$50 per amusement device
Bellevue	No license requirement
Renton	No license requirement

- Other municipal jurisdictions have repealed similar license fees in recent years, including New York City, Aurora, CO, and Spokane, WA.

# Impact on Budget

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- This legislation would result in reduced revenue from any licenses that would have been filed for the rest of 2023 and 2024.
- The total revenue estimated to be received from this license fee in 2023 and 2024 is **\$64,000 each year**.
- As there is not a proposed replacement for that amount of GF revenue, this repeal will reduce the unreserved fund balance
- While minor, this revenue reduction impacts the long-term projected gap between annual GF revenues and expenditures.



# Questions?