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CITY OF SEATTLE
ORDINANCE 127348
COUNCIL BILL 121108

AN ORDINANCE relating to the Sweetened Beverage Tax; amending Section 5.53.055 of the Seattle Municipal Code to remove obsolete guidance on use of proceeds and remove non-supplantation funding provisions.

WHEREAS, the Seattle Sweetened Beverage Tax has provided funding in the Department of Education and Early Learning for programs to improve the social, emotional, educational, physical, and mental health of children, including prenatal-to-age-three, home visiting programs, and child care assistance, pursuant to Seattle Municipal Code subsection 5.53.055.B.2; and

WHEREAS, the 2025 Families, Education, Preschool, and Promise (FEPP) Levy, if approved by voters on November 4, 2025, will provide funding for early childhood programming, such as affordable childcare and preschool for Seattle children and their families, including but not limited to: financial support for families, early childhood health and development services such as home-visiting programs, and home nurse programs that offer prenatal support; and

WHEREAS, the 2026 Proposed Budget therefore shifts funding for such early childhood and childcare programs from the Sweetened Beverage Tax to the 2025 FEPP Levy; and

WHEREAS, support for food banks and meal services is provided by The City of Seattle through the Human Services Department and has been funded by a combination of Sweetened Beverage Tax and General Fund revenues; and

WHEREAS, long-term estimated General Fund revenues are insufficient to support existing levels of funding for food programs in the Human Services Department; and

1 WHEREAS, shifting funding for early childhood programming from the Sweetened Beverage
2 Tax to the FEPP Levy provides capacity for the Sweetened Beverage Tax Fund to further
3 support food and meal programs in the Human Services Department that are currently
4 being funded by the General Fund, making all investments more sustainable in the future;
5 and

6 WHEREAS, removing non-supplantation provisions in the Sweetened Beverage Tax is
7 necessary for the 2026 Proposed Budget to shift funding from the General Fund to the
8 Sweetened Beverage Tax; NOW, THEREFORE,

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

10 Section 1. Section 5.53.055 of the Seattle Municipal Code, last amended by Ordinance
11 125995, is amended as follows:

12 **5.53.055 Sweetened beverage tax—Allocation of proceeds**

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

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

- 21 ~~1. One-time costs necessary to enable the administration of the tax;~~
- 22 ~~2. Up to \$5,000,000 in total as a contribution to an endowment for the Seattle~~
23 ~~Colleges 13th Year Promise Scholarship program;~~

1 3. ~~Up to \$1,500,000 in total as funding for job retraining and placement programs~~
2 ~~for workers adversely impacted by the tax; and~~

3 4. ~~Funding for capital projects to construct or enhance classroom facilities for use~~
4 ~~by the Seattle Preschool Program.~~

5 The portion of the proceeds that shall be used for the above eligible expenditures shall be
6 as follows: ~~20 percent in the first year; and up to ten percent in each of the second, third, fourth,~~
7 ~~and fifth years of collections.~~

8 ~~Beginning in the sixth year of collections, all proceeds from the tax collected shall be for~~
9 ~~programs defined in subsection 5.53.055.A.)~~

10 B. (~~Except as required by subsection 5.53.055.A, proceeds~~) Proceeds from the beverage
11 tax shall be used to support, in order of priority:

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

14 a. Community-based investments to expand food access, such as food
15 banks and meal programs;

16 b. Fresh Bucks and Fresh Bucks to Go;

17 c. Implementation of the Seattle Food Action Plan;

18 d. Public health and nutrition programs targeted to assist persons
19 experiencing diabetes and obesity;

20 e. Public awareness campaigns to highlight the impact of sugar-sweetened
21 beverages on health outcomes and increase education about healthy food and beverages; and

22 f. Capital investments to promote healthy choices, such as water bottle
23 filling stations in schools and community centers.

1 2. Expanding evidence-based programs that improve the social, emotional,
2 educational, physical, and mental health of children, especially those prenatal-to-age-three and
3 kindergarten readiness services that seek to reduce the disparities in outcomes for children and
4 families based on race, gender, or other socioeconomic factors and to prepare children for a
5 strong and fair start in kindergarten, such as home visiting programs and child care assistance.

6 3. Administration of assessing and collecting the tax.

7 4. Ensuring resources for the Office of Sustainability and the Environment and the
8 Sweetened Beverage Tax Community Advisory Board.

9 5. The cost of program evaluations conducted by the Office of the City Auditor
10 under subsection 5.B of Ordinance 125324, including costs borne by other City departments in
11 facilitating such evaluations.

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

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

20 (~~D. Beginning on September 11, 2019 and thereafter, all revenues shall be used to either~~
21 ~~expand existing programs or create new programs, including associated program cost increases,~~
22 ~~that are in accordance with subsection 5.53.055.B, and may not be used to supplant~~
23 ~~appropriations from other funding sources, excluding grants, loans, gifts, in-kind contributions,~~

1 ~~or other funding mechanisms provided from non-City sources. Revenues may be used to~~
2 ~~maintain program expansions, and new programs in accordance with subsection 5.53.055.B.)~~

3 Section 2. This ordinance shall take effect on January 1, 2026.

4 Passed by the City Council the 21st day of November, 2025,
5 and signed by me in open session in authentication of its passage this 21st day of
6 November, 2025.

7 
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 24th day of November, 2025.

10 
11 Bruce A. Harrell, Mayor

12 Filed by me this 24th day of November, 2025.

13 
14 Scheereen Dedman, City Clerk

15 (Seal)