

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Legislative	Peter Lindsay/x-4-5336	n/a

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to taxation for transportation purposes; imposing an employee hours tax; increasing the commercial parking tax; adding a new Chapter 5.38 to Title 5 of the Seattle Municipal Code; and amending sections in Chapters 5.30, 5.55, 5.35, and 3.02.

Summary and background of the Legislation:

This legislation levies an Employee Hours Tax of \$18 per full time equivalent and raises the Commercial Parking Tax by five percentage points. Along with revenues from the Commercial Parking Tax, all receipts from the Employee Hours Tax shall be placed in and segregated within the Transportation Operating Fund. New revenues from both taxes will be used to fund transportation improvements.

2. CAPITAL IMPROVEMENT PROGRAM

This legislation creates, funds, or amends a CIP Project.

(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

Project Name: Project I.D.: Project Location: Start Date: End Date: Total Cost:

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3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

This legislation has direct financial implications. (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

This legislation does not have direct financial implications.
 (Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

Budget program(s) affected:	SDOT			
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
			N/A	N/A
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	

	2015	2016	2015	2016
			\$0	\$22,600,000
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
			0	0
Other departments affected:	FAS			

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.
 (This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes: This legislation does not provide appropriations. Future appropriations would be needed in the 2016-2017 Budget, or in supplemental budget actions.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
Transportation Operating Fund (10310)	SDOT	Commercial Parking Tax	\$0	\$15,600,000
Transportation Operating Fund (10310)	SDOT	Employee Hours Tax	\$0	\$7,000,000
TOTAL				\$22,600,000

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes: Anticipated revenue from the Employee Hours Tax is based on an estimate of approximately 385,000 taxable FTE within the City of Seattle. Anticipated revenue from the Commercial Parking Tax increase is based on projections of the existing tax. There may be initial delays in revenue collection due to administrative adjustments required to implement the new Employee Hours Tax and increase the Commercial Parking Tax.

3.c. Positions

This legislation adds, changes, or deletes positions.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

Position Notes:

This legislation anticipates that these new taxes will be administered with existing resources.

4. OTHER IMPLICATIONS

a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

This legislation establishes new taxes and increases existing taxes.

b) **Is there financial cost or other impacts of not implementing the legislation?**

Not implementing this legislation would preclude a source of revenue which could be used to fund transportation improvements.

c) **Does this legislation affect any departments besides the originating department?**

This legislation impacts FAS, which would administer the new Employee Hours Tax and SDOT, which would receive funding from the proposed taxes and manage implementation of transportation improvements and programs. Appropriations for these departments will need to be approved in the 2016-2017 Budget or in a supplemental budget action.

d) Is a public hearing required for this legislation?

No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

f) Does this legislation affect a piece of property?

No.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The legislation recognizes that vulnerable and historically disadvantaged communities may own small businesses. Chapter 5.38.30 establishes criteria for Employee Hours Tax exemptions, including an exemption for businesses with less than \$100,000 in worldwide gross income.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

This legislation would provide an alternative funding mechanism for elements of the mayor's proposed Move Seattle levy.

i) Other Issues:

None

List attachments below: