

SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor
Seattle, WA 98104



Journal of the Proceedings of the Seattle City Council

Monday, August 4, 2025

2:00 PM

Special Meeting - Public Hearing

**Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104**

City Council

Sara Nelson, Council President
Joy Hollingsworth, Member
Debora Juarez, Member
Robert Kettle, Member
Alexis Mercedes Rinck, Member
Maritza Rivera, Member
Rob Saka, Member
Mark Solomon, Member
Dan Strauss, Member

Chair Info: 206-684-8809; Sara.Nelson@seattle.gov

A. CALL TO ORDER

The City Council of The City of Seattle met in special session in the Council Chamber in City Hall in Seattle, Washington, on August 4, 2025, pursuant to the provisions of the City Charter. The meeting was called to order at 2:01 p.m., with Council President Nelson presiding.

B. ROLL CALL

Present: 7 - Nelson, Hollingsworth, Juarez, Rinck, Saka, Solomon, Strauss

Late Arrival: 2 - Kettle, Rivera

Councilmember Kettle joined the meeting at 2:02 p.m.

Councilmember Rivera joined the meeting at 2:05 p.m.

C. PUBLIC COMMENT

The following individuals addressed the Council:

Alex Tsimerman

Jordan Crawley

Luzmila Freese

Hali Willis

D. APPROVAL OF THE AGENDA

By unanimous consent, the Agenda was adopted.

E. COMMITTEE REPORTS**CITY COUNCIL:**

1. [CB 121013](#) **AN ORDINANCE relating to floodplains; ninth extension of interim regulations established by Ordinance 126113, and as amended by Ordinance 126536, for an additional six months, to allow individuals to rely on updated National Flood Insurance Rate Maps to obtain flood insurance through the Federal Emergency Management Agency's Flood Insurance Program.**

ACTION 1:

Motion was made by Council President Nelson and duly seconded to pass Council Bill 121013.

ACTION 2:

By unanimous consent, the Council Rules were suspended to allow consideration of an amendment to Council Bill 121013.

ACTION 3:

Motion was made by Councilmember Strauss and duly seconded to amend Section 3 of Council Bill 121013 as shown in the underlined and strike through language below:

~~Section 3. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070. This ordinance, which is not subject to referendum, shall take effect: immediately after its approval by the Mayor; immediately after its unsigned return by the Mayor; if the Mayor disapproves it and the Council upon reconsideration passes it again, immediately after that passage; or, if not returned by the Mayor within ten days after presentation, 15 days after its passage by the City Council.~~

The motion carried by the following vote:

In favor: 9 - Hollingsworth, Juarez, Kettle, Nelson, Rinck, Rivera, Saka, Solomon, Strauss

Opposed: None

ACTION 4:

The public hearing on Council Bill 121013 opened at 2:17 p.m.

The following speaker addressed the Council:

Alex Tsimerman

The public hearing closed at 2:19 p.m.

The Council Bill (CB) was passed as amended by the following vote, and the President signed the Council Bill (CB):

In Favor: 9 - Nelson, Hollingsworth, Juarez, Kettle, Rinck, Rivera, Saka,
Solomon, Strauss

Opposed: None

SELECT BUDGET COMMITTEE:

2. [CB 121028](#) **AN ORDINANCE relating to the business and occupation tax; requesting that a special election be held concurrent with the November 4, 2025 general election for submission to the qualified electors of the City a proposition to lift the limit on business and occupation tax rates under RCW 35.21.711, authorize the City to levy additional taxes for the purposes of providing housing, human services, workforce, and small business support, increase the business and occupation tax threshold, create a business and occupation tax standard deduction, create offsetting credits for certain eligible businesses, and revise the business license tax consistent with changes to the business and occupation tax; adding a new Section 5.45.105 to the Seattle Municipal Code; amending Sections 5.45.050, 5.45.100, 5.55.030, and 5.55.040 of the Seattle Municipal Code; proposing a ballot title; and ratifying and confirming certain prior acts.**

The Committee recommends that City Council pass as amended the Council Bill (CB).

In Favor: 8 - Strauss, Rivera, Hollingsworth, Juarez, Nelson, Rinck, Saka, Solomon

Opposed: None

ACTION 1:

Motion was made by Councilmember Rivera and duly seconded to amend Council Bill 121028, Section 7, subsection 7.B, as shown in the underlined and strike through language below:

B. The proceeds shall be used:

1. For the business and occupation tax threshold lift and deduction for small businesses.
2. To pay for programs or activities that receive City General Fund or JumpStart Payroll Expense Tax Fund (JumpStart Fund) appropriations as of the effective date of this ordinance, in the following program areas:
 - a. Food access;
 - b. Gender-based violence;
 - c. Small business supports, including but not limited to storefront repairs and Business Improvement Areas;
 - d. Emergency shelter;
 - e. Homelessness prevention;
 - f. Support for workers' rights and protections;
 - g. Public health;
 - h. Workforce development and job readiness training; ~~and~~,
 - i. Arts and culture; and
 - j. Immigrant and refugee services, including but not limited to legal

assistance and representation.

The motion carried by the following vote:

In favor: 8 - Hollingsworth, Juarez, Nelson, Rinck, Rivera, Saka, Solomon, Strauss

Opposed: 1 - Kettle

ACTION 2:

Motion was made by Councilmember Rivera and duly seconded to amend the title of Council Bill 121028 as shown in the underlined language below:

AN ORDINANCE relating to the business and occupation tax; requesting that a special election be held concurrent with the November 4, 2025 general election for submission to the qualified electors of the City a proposition to lift the limit on business and occupation tax rates under RCW 35.21.711, authorize the City to levy additional taxes for the purposes of providing housing, human services, workforce, and small business support, increase the business and occupation tax threshold, create a business and occupation tax standard deduction, create offsetting credits for certain eligible businesses, and revise the business license tax consistent with changes to the business and occupation tax; adding a new Section 5.45.105 to the Seattle Municipal Code; amending Sections 5.45.050, 5.45.100, 5.55.030, and 5.55.040 of the Seattle Municipal Code; proposing a ballot title; and ratifying and confirming certain prior acts.

The motion carried by the following vote:

In favor: 9 - Hollingsworth, Juarez, Kettle, Nelson, Rinck, Rivera, Saka, Solomon, Strauss

Opposed: None

ACTION 3:

Motion was made by Councilmember Strauss and duly seconded to amend Council Bill 121028 as shown in Attachment 1 to the Minutes.

The motion failed by the following vote:

In favor: 3 - Saka, Solomon, Strauss

Opposed: 6 - Hollingsworth, Juarez, Kettle, Nelson, Rinck, Rivera

The Council Bill (CB) was passed as amended by the following vote, and the President signed the Council Bill (CB):

In Favor: 9 - Nelson, Hollingsworth, Juarez, Kettle, Rinck, Rivera, Saka, Solomon, Strauss

Opposed: None

F. OTHER BUSINESS

There was none.

G. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 3:28 p.m.

Phillip Wood-Smith, Deputy City Clerk

Signed by me in Open Session, upon approval of the Council, on August 12, 2025.

Sara Nelson, Council President of the City Council

Attachment: Att 1 – Action 3 of CB 121028

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Att 1 – Action 3 of CB 121028

Amendment C Version 1 to CB 121028 – B&O Tax ORD

Sponsor: Councilmember Strauss

Tax credit for stevedoring activities

Effect: This amendment would create a tax credit for stevedoring, which is generally the activity of loading and unloading ships at port, equal to the amount of eligible revenue received multiplied by the tax rate increase imposed by CB 121028. The credit would sunset after 4 years. This amendment also adds a recital.

Based on information from the Office of Economic and Revenue Forecasts, this credit would reduce GF revenue from the business and occupation tax restructure by approximately \$1.5 million. Further, the Office of City Finance anticipates additional staffing needs related to the addition credits, which would be determined by way of a future budget request.

Add a whereas clause to CB 121028 as follows:

WHEREAS, the Seattle Housing Investment Plan, as requested in the City Council’s Statement of Legislative Intent OH-001S-A, will provide critical information on the most strategic use of City funding, including the JumpStart Fund, to support housing production goals; and

WHEREAS, The City of Seattle should continue to assess the impacts of the restructuring of the business and occupation tax on the maritime industry, particularly in light of ongoing changes in federal tariff policy; and

WHEREAS, RCW 35.21.711 requires a majority vote of the people to raise business and occupation tax rates to the rates proposed in this ordinance; NOW, THEREFORE,

Amend Section 5 of CB 121028 as follows:

Section 5. Subject to and contingent upon approval of the qualified voters of the City, a new Section 5.45.105 of the Seattle Municipal Code is added as follows:

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Att 1 – Action 3 of CB 121028

5.45.105 Credits

A. Credit for comprehensive cancer centers. Persons taxable under Section 5.45.050 that receive gross receipts that are exempt from state business and occupation tax under RCW 82.04.4265 shall be allowed a credit against those taxes equal to the amount of gross receipts that is exempt from state business and occupation tax under RCW 82.04.4265 multiplied by: the rate of the tax for that business, minus the rate immediately preceding the effective date of this ordinance.

B. Credit for pediatric hospitals. Nonprofit hospitals specializing primarily in pediatric medicine taxable under Section 5.45.050 shall be allowed a credit against those taxes equal to the amount of gross receipts that is taxable under Section 5.45.050 multiplied by: the rate of the tax for that business, minus the rate immediately preceding the effective date of this ordinance.

1. For the purposes of this section:

a. “Hospital” has the meaning established in Revised Code of Washington Chapter 70.41.020.

b. “Nonprofit” means a corporation or organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

c. “Specializing primarily in pediatric medicine” means a hospital providing clinically appropriate health care for the special needs of pediatric and young adult patients whose care and diagnosis is best treated with pediatric expertise.

2. The calculation of the credit applies solely to gross receipts from hospital services and shall not include gross receipts from retail, wholesale, or manufacturing business activity.

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Att 1 – Action 3 of CB 121028

C. Credit for stevedoring. Persons taxable under Section 5.45.050 that receive gross receipts from stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce under RCW 82.04.260 shall be allowed a credit against those taxes equal to the amount of gross receipts from stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce under RCW 82.04.260 multiplied by the rate of the tax for that business, minus the rate immediately preceding the effective date of this ordinance. This credit may be taken against tax obligations for tax years 2026, 2027, 2028, and 2029.