

CITY OF SEATTLE

RESOLUTION 32152

A RESOLUTION relating to the spending plan for the proceeds of the Seattle transportation network company tax; amending Resolution 31914 to continue providing temporary flexibility on the use of tax proceeds.

WHEREAS, in 2019, The City of Seattle began taxing transportation network companies (TNCs) for rides that took place in Seattle. TNCs provide application dispatch services that allow passengers to directly request the dispatch of drivers via the internet using mobile interfaces such as smartphone application; and

WHEREAS, also in 2019, the City Council passed Resolution 31914, which outlined the uses of TNC tax proceeds, including for a TNC Driver Resource Center, low-income housing, and transportation including transit; and

WHEREAS, in 2022, the Washington state legislature adopted Engrossed Substitute House Bill 2076, which creates a state TNC tax and preempts the City from enforcing the TNC Driver Minimum Compensation and TNC Driver Deactivation Rights Ordinances starting on January 1, 2023; and

WHEREAS, the COVID-19 public health emergency adversely affected the City's revenue collections including transportation revenues such as commercial parking tax; and

WHEREAS, the City's expenditure growth has outpaced revenues and inflation, creating a structural budget gap between projected General Fund revenues and expenditures; and

WHEREAS, the Mayor and City Council wish to address the funding gap by temporarily continuing expanded uses of TNC tax proceeds to include other General Fund activities;

NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE
MAYOR CONCURRING, THAT:**

Section 1. Resolution 31914, last amended by Ordinance 126719, is amended as follows:

Section 1. **Spending Plan.** The City shall use the proceeds of the transportation network company (TNC) tax imposed by Chapter 5.39 of the Seattle Municipal Code to accelerate affordable housing production for low-wage workers and their families at locations that are within the frequent transit network, make investments in transportation, including transit, and provide for workplace protections. Eligible expenditures include:

A. Funding of the administration of the TNC tax and regulations related to TNC drivers up to \$2,000,000 in the first year and up to \$1,500,000 in the second, third, and fourth years. Beginning in year five, this amount may increase each year, subject to appropriations, to reflect the cost of administrating the TNC tax and regulations.

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Section 4. Notwithstanding contrary provisions in this resolution, in the ((2023 and)) 2024, 2025, and 2026 budget for The City of Seattle, TNC tax revenues may be used as follows:

A. Funding of the administration of the TNC tax and regulations related to TNCs up to five percent of the annual anticipated revenues from the TNC tax.

B. After administrative costs related to the tax and regulations related to TNCs as described in subsection 4.A of this resolution, the remainder of revenue collected shall be used to make investments in transportation, including transit, and to support other City General Fund activities.

C. Consistent with Washington Chapter 281, Laws of 2022, which creates a state level Transportation Network Company tax and preempts the City from enforcing the TNC Driver Minimum Compensation and TNC Driver Deactivation Rights Ordinances starting on January 1, 2023, no City funds shall be used for enforcing the TNC Driver Minimum Compensation and TNC Driver Deactivation Rights Ordinances.

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Adopted by the City Council the 21st day of November, 2024,
and signed by me in open session in authentication of its adoption this 21st day of
November, 2024.



President _____ of the City Council

The Mayor concurred the 26th day of November, 2024.



Bruce A. Harrell, Mayor

Filed by me this 27th day of November, 2024.



Scheereen Dedman, City Clerk

(Seal)