

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
SDCI	Shane Muchow	Jennifer Breeze

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to fees and charges for permits and activities of the Seattle Department of Construction and Inspections, related fees by other departments, and technical corrections; adding a new Section 22.900G.025 to the Seattle Municipal Code; and amending Sections 22.900B.010, 22.900C.010, 22.900D.010, 22.900D.150, 22.900G.010, 22.900H.020, 22.900H.030, 22.900H.050, 22.900H.060, 22.900H.070, and 22.900H.080 of the Seattle Municipal Code.

Summary and Background of the Legislation: This legislation revises a portion of SDCI's fees and charges beginning on January 1, 2026. A majority of SDCI's fees and charges were last revised in Ordinance 127134 effective January 1, 2026 as part of the 2025-2026 biennial budget process which included an inflationary adjustment of 6.5% to set fees at a rate to recover costs of permitting work.

This legislation is proposing program specific fee changes, clarification of existing fee definitions, and simplification of the Over the Counter (OTC) Electrical Fee schedule.

SDCI is proposing 18% year over year fee increases to most Construction and Master Use Permits. These increases are necessary to sustain permitting services and maintain review timelines amid a post-pandemic shift from high-value development projects to a greater volume of small- and mid-sized projects. In addition, recent State and local policy changes limiting SEPA and Design Review have further reduced SDCI's fee revenue. While overall permit volume remains higher than during the 2009–2011 downturn, the change in project mix has strained cost recovery. These fee increases will slow the drawdown of SDCI's fund balance and provide time to assess long-term operational and service-level strategies.

SDCI is proposing updates to Land Use fees for: clarification of fees related to tree review when no construction is proposed and to recoup the cost of reviewing tree removal and protection during construction permitting; the elimination of special accommodations; clarification of letters for land use analysis and research; and simplification of pre-application conference fees.

SDCI is also proposing an equitable incentive to Un-Reinforced Masonry (URM) fees to encourage building owners to retrofit their buildings through this voluntary program.

Special Development Fees		
Type of Development	Permit Fee	Plan Review Fee
Unreinforced Masonry Building (URM) designation or seismic retrofit:		

a. Review to appeal unreinforced masonry bearing wall building designation	N/A	SDCI Base Fee x 1 (waived if appeal approved)
b. Permits for work associated with any earthquake retrofit of an unreinforced masonry building contributing to a code compliant retrofitted URM	50% DFI	50% DFI

SDCI recently completed a study on current OTC Electrical Fees and processes and as a result of the study, is updating their fee table to provide clarity to customers, reduce redundancies and duplicate permit fee requests, eliminate staff time used on correcting errors, and to recover actual costs.

Finally, this legislation adjusts Rental Registration and Inspections Fees, most recently changed in Ordinance 126935 in 2024. These adjustments are necessary to keep up with the cost of business and to continue the work of closing the program’s deficit.

Rental Registration and Inspection Fees	Current Fee	Proposed Fee
Property Fee	\$110	\$120
Each additional rental unit on same property	\$20	\$30
Registration and renewal of a rental housing unit late	\$30	\$50
Private inspector training	\$300	\$325
Registration as qualified private inspector	\$300	\$325
SDCI-performed inspection – first unit	\$210	\$230
SDCI-performed inspection – each additional unit on same property	\$40	\$50
Late inspection submittal fee	\$30	\$50
Receipt and processing of an inspection certificate by private inspector	\$50	\$60

SDCI is primarily fee-supported, and its fees and charges are necessary to support SDCI’s permitting operations. All fees collected by SDCI for processing SDCI’s permits are used for that purpose, and the fee structure is reflective of the Seattle Municipal Code requirements to recover the cost of providing the permitting service. Similarly, other fees are set to recover the costs of certain code enforcement activities. This legislation will help ensure that the fees that SDCI collects are in line with the costs of providing services required by code.

Summary Attachment A to this Summary and Fiscal Note, “SDCI Permit Fee and Charges proposed for 2026” provides a summary of all SDCI fees affected by this ordinance. Prior to developing this legislation, these fees were reviewed to determine whether the cost of providing the service warrants a fee change, if improvements to the fee structure are necessary, or if new fees are required.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

☒ Yes ☐ No

Expenditure Change (\$); General Fund	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	\$0	\$0	\$0	\$0	\$0
Expenditure Change (\$); Other Funds	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	\$0	\$0	\$0	\$0	\$0

Revenue Change (\$); General Fund	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	\$0	\$0	\$0	\$0	\$0
Revenue Change (\$); Other Funds	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	\$8,177,002	\$8,943,370	\$9,117,300	\$9,766,491	\$9,604,221

Number of Positions	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	0	0	0	0	0
Total FTE Change	2026 est.	2027 est.	2028 est.	2029 est.	2030 est.
	0	0	0	0	0

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2025 Revenue	2026 Estimated Revenue
Construction and Inspections Fund (48100)	SDCI	RRIO	\$0	\$818,736
Construction and Inspections Fund (48100)	SDCI	Building Dev	\$0	\$6,594,706
Construction and Inspections Fund (48100)	SDCI	Land Use	\$0	\$763,560
TOTAL			\$0	\$8,177,002

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

There are no other financial impacts to the City of Seattle.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources. N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.
Not implementing this legislation would create a situation where the revenues SDCI collects through fees would not align with the cost of providing permitting services. Without these fee increases, SDCI would be required to severely reduce services or programs within the 2026 Proposed Budget. Such reductions would impact the department's ability to perform its permitting and enforcement responsibilities and delay service to customers.

Please describe how this legislation may affect any City departments other than the originating department. N/A

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation? No

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation? No

c. Does this legislation affect a piece of property? No

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

Adjustments to the RRIO program fees are minimal and, as such, are not expected to be passed down to the renters. Updated fees for the URM program are also not expected to impact communities and are an incentive for building owners to opt in to the voluntary program. All other fees proposed in this legislation are not expected to have an impact.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

No Racial Equity Toolkits were conducted on this legislation.

- iii. What is the Language Access Plan for any communications to the public?**

SDCI supports increased language access to our programs and services by having all important documents translated in Seattle's 16 most spoken languages. SDCI also utilizes the Language Line to provide immediate support to customers.

e. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation is not likely to increase or decrease carbon emissions in a material way.

- ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

There is no impact anticipated on Seattle's ability to adapt to climate change.

- f. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

This legislation does not include a new initiative or major programmatic expansion.

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No.

5. ATTACHMENTS

Summary Attachments:

Summary Attachment A – SDCI Permit Fees and Charges Proposed for 2026