



SEATTLE CITY COUNCIL
CENTRAL STAFF

Initiative 137 – Social Housing Tax

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COUNCIL BRIEFING
JULY 29, 2024

Current Status

- On February 13, 2024, proposed Initiative 137 (I-137) was filed with the Office of the City Clerk
- On July 26, 2024, King County elections provided a Certificate of Sufficiency verifying that there were sufficient signatures to place I-137 on the ballot.

Summary of I-137

- I-137 would impose a tax on payroll expenses for employers doing business in Seattle. The new tax would apply a 5% rate on compensation above \$1,000,000 a year paid to Seattle-based employees.
- At least 95% of the tax revenue would be allocated to Seattle's Social Housing Developer Public Development Authority (Social Housing PDA).
- The Social Housing PDA, established by voter approval of Initiative 135, was created to develop, own, and maintain publicly-financed, mixed-income social housing developments.
- Up to 5% of the tax revenue may be allocated to administer the tax, but the amount to administer the tax cannot exceed \$2,000,000 per year.

Next Steps

- The Clerk has 20 days to file the Certificate of Sufficiency with the City Council after receiving it from King County Elections, by introducing and referring a Clerk File.
- Once Clerk File is introduced and referred, Council has 45 days to: (i) adopt the measure directly; (ii) send the measure to the voters; or (iii) send the measure and an alternative to voters.
- The timeline above (20 days + 45 days) would result in an absolute deadline of early October, although Council would likely want to act before budget is transmitted on September 24. Under this scenario, I-137 would go on the February 2025 ballot.
- If the Council wants to act in time for I-137 to be placed on the November 5, 2024, General Election ballot, **action is needed by August 6 at 4:30PM**. If Council has interest in exploring an alternative, there is **not** sufficient time to prepare, refer, and vote on the ordinance needed to place the measure on the November ballot.

Questions?