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2
CITY OF SEATTLE

3
ORDINANCE _____

4
COUNCIL BILL _____

5 ..title
6 AN ORDINANCE relating to The City of Seattle's Office of Labor Standards; adding a new
7 Section 3.15.007 to the Seattle Municipal Code; amending Ordinance 125207, which
8 adopted the 2017 Budget, changing appropriations for the Office of Labor Standards and
9 authorizing cash transfers to support appropriations changes; and establishing a special
10 Office of Labor Standards Subfund to guarantee annual funding of The City of Seattle's
11 Office of Labor Standards from the City's existing business license tax revenues.
12 ..body
13 WHEREAS, The City of Seattle's Office of Labor Standards (OLS) educates, administers,

14 implements, and enforces the City's labor standards laws including: paid sick and safe

15 time (Seattle Municipal Code (SMC) Chapter 14.16), use of criminal history in

16 employment decisions (SMC Chapter 14.17), minimum wage and minimum

17 compensation (SMC Chapter 14.19), wage and tip compensation requirements (SMC

18 Chapter 14.20), secure scheduling requirements (SMC Chapter 14.22), the Seattle Hotel

19 Employees Health and Safety Initiative (SMC 14.25), and other labor standards that the

20 City may enact in the future; and

21 WHEREAS, swift and robust enforcement of Seattle's labor standards ordinances through

22 investigations and education efforts by OLS helps ensure that employees will receive the

23 wages, benefits, and other protections established by Seattle's labor standards ordinances,

24 which together enhance wage equity, create a fair and healthy economy for workers, and

25 curb violations of labor standards for all workers, which fall disproportionately on

26 immigrants and refugees, LGBTQ communities, people with disabilities, youth, people of

27 color, and women; and

1   WHEREAS, enforcement of and education efforts about Seattle's labor standards ordinances

2   helps ensure that businesses that comply with these ordinances are not placed in a

3   competitive disadvantage to businesses that are not in compliance; and

4   WHEREAS, the City increased both the business license tax rates and the business license tax

5   certificate fee rates in 2016 in Ordinances 125084 and 125083 in order to raise additional

6   revenues to meet the increasing cost of public safety services, including funding 200 new

7   police officers and increased capacity at the City's 911 call center; and

8   WHEREAS, in order to enable OLS to carry out its functions and duties, the City intends to

9   guarantee the funding of OLS through the creation of a subfund within the General

10   Subfund, to be supported by revenue, excluding those amounts collected as a result of

11   rate increases under Ordinance 125084, from the City's existing business license tax,

12   commonly known as the business and occupation tax, and restrict use of that subfund to

13   OLS; NOW, THEREFORE,

14 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

15   Section 1. A new Section 3.15.007 is added to the Seattle Municipal Code as follows:

16 **3.15.007   Office of Labor Standards Subfund**

17   A.   There is hereby established in the City Treasury, as a subfund of the General

18 Fund, an Office of Labor Standards Subfund. Funds deposited in the Office of Labor Standards

19 Subfund may only be used to pay for costs associated with the operations and activities of the

20 City's Office of Labor Standards.

21   B.   By September 1 of each year, the Director of the Office of Labor Standards shall

22 certify to the Mayor and Council the funding needed for the following year to maintain each of

23 the following elements of the operations and activities of the Office of Labor Standards:

1   1.   Enforcement activities, including but not limited to the investigation of

2   complaints and directed investigations;

3   2.   Outreach to employers; and

4   3.   Outreach to employees.

5   In determining the funding required to sustain these activities, annual inflationary

6   adjustments and increases in the staffing, overhead, and infrastructure costs will be taken into

7   account for each of these elements. Funding for enforcement should consider the level of

8   resources needed to fulfill the goal of completing investigations within 180 days, taking into

9   account the rate of successful completion of cases within 180 days during the previous year. The

10   total funding required to maintain the current level of activity for all three elements shall be

11   known as the minimum annual contribution. The minimum annual contribution for that year shall

12   be reflected in the proposed City budget submitted by the Mayor to the City Council for the

13   following year. Additionally, the Director may make further recommendations to the Mayor and

14   the Council including, but not limited to, staffing, funding, and program design.

15   C.   It is the policy goal of The City of Seattle that each year the minimum annual

16   contribution will be appropriated in the budget to the Office of Labor Standards.

17   D.   By January 1 of each year, an amount equal to the Office of Labor Standards

18   Subfund appropriation for that year shall be deposited in the subfund.

19   E.   The funding for the minimum annual contribution under subsection 3.15.007.C

20   shall come from the City's existing business license tax under Chapter 5.45.

21   F.   If the revenues available from the business license tax under Chapter 5.45 are

22   insufficient to meet the minimum annual contribution, the difference may be funded using any

23   resources of the City's General Subfund.

1   G.   Nothing in this Section 3.15.007 prohibits the City from accepting grants from

2 non-City sources or providing additional General Subfund funding above the minimum annual

3 contribution to enable the Office of Labor Standards to strengthen existing programs and

4 strategies, or expand their regulatory duties and staffing.

5   H.   The Director shall establish criteria for worker outreach contracts that strongly

6 preference organizations or collaborations of organizations that have at least two or more of the

7 following: multi-lingual capacity, intake and outreach staff, access to community networks that

8 are culturally relevant to workers in traditionally low-wage industries, and access to a legal

9 clinic. Preference will also be given to organizations with a track record of effectively reaching

10 benchmarks, including reporting timelines, established in previous contracts with the Office of

11 Labor Standards.

12   Section 2. The appropriations in the 2017 Budget are adjusted as follows:

Item	Fund	Department	Budget Control Level	Amount
2.1	General Subfund (00100)	Office of Labor Standards (OLS)	Office of Labor Standards (00100-X1R01)	($5,746,889)
2.2	Office of Labor Standards Subfund	Office of Labor Standards (OLS)	Office of Labor Standards (00100-X1R01)	$5,746,889
Total				$0

13   Section 3. To support the appropriations in Section 2 of this ordinance, the transfer of

14 cash from the General Subfund to the Office of Labor Standards Subfund in an amount not to

15 exceed the appropriation in Item 2.2 of this ordinance is hereby authorized.

16   Section 4. This ordinance shall take effect and be in force 30 days after its approval by

17 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it

18 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

1   Passed by the City Council the _____ day of _____, 2017,

2 and signed by me in open session in authentication of its passage this _____ day of

3 _____, 2017.

4   _____

5   President _____ of the City Council

6   Approved by me this _____ day of _____, 2017.

7   _____

8   Edward B. Murray, Mayor

9   Filed by me this _____ day of _____, 2017.

10   _____

11   Monica Martinez Simmons, City Clerk

12 (Seal)