

Amendment 5 Version 1 to CB 120706 – Network Company License and Fee

Sponsor: Councilmember Pedersen

Require ordinance to increase the fee.

Effect: This amendment would change the procedure for adjusting the network company license fee as follows:

1. The Department of Finance and Administrative Services (FAS) Director, in consultation with the Office of Labor Standards (OLS) Director, would make a recommendation to the City Council to increase the fee every two years;
2. The Council would establish any necessary increase to the fee by ordinance; and
3. The FAS Director would make any necessary reduction to the fee by rule.

The requirement to legislate any increase to the fee could provide a more public forum for making such adjustments. The requirement could also delay the effective date of a fee increase and the City's receipt of additional fee revenue. The legislative process typically takes longer than the notice and comment process for administrative rules under Section 3.02.030 of the Seattle Municipal Code (e.g., minimum of 14 days of notice and comment before adopting rules).

Amend Section 1 of CB 120706 as follows:

6.700.080 License fee

B. The FAS Director, in consultation with the OLS Director, shall review the fee ~~((at least annually))~~ every two years and shall make a recommendation to the City Council about any ~~((adjustment necessary by rule))~~ increase necessary to ensure the fee achieves full recovery, and no more, of the regulatory costs prescribed in Section 6.700.100 after consideration of available information for the following factors:

1. Actual and projected fee revenue;

2. The FAS Director's projected costs and annual budget allotted for the implementation of the network company license and fee;

3. The OLS Director's projected costs, including costs identified in the annual certification required by subsection 3.15.007.B, and annual budget allotted for the implementation of Chapter 8.37 and Chapter 8.40;

4. The number of network companies operating in Seattle;

5. The number of online orders subject to the license fee in subsection 6.700.080.A;

6. OLS's implementation data for Chapter 8.37 and Chapter 8.40 (e.g., number and nature of worker and business inquiries, data on open and filed investigation, resolved investigations, and financial remedies); and

7. Such other factors that the FAS Director determines are reasonably necessary for reviewing the fee.

C. The fee may only be increased by ordinance. The FAS Director shall make any reduction necessary by rule to ensure the fee shall not exceed full recovery.