

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE increasing the fee or tax on persons engaged in or carrying on the business of the collection of garbage, rubbish, trash, CDL waste, and other solid waste; amending Seattle Municipal Code Section 5.48.055; and providing a special referendum opportunity as required by state law.

Summary and background of the Legislation: Since 2005, a local B&O tax rate of 11.5% has been applied to the total gross income (minus income from certain activities) gained from collection of solid waste in the City. The taxes are incorporated in the solid waste utility rates paid by Seattle Public Utilities (SPU) customers and the tax revenues are deposited in the City's General Subfund. This legislation increases the tax rate on income from solid waste collection by 2.7% effective April 1, 2017. The net impact of this change is an increase to General Subfund tax revenues of \$3.2M in 2017 and \$4.4M million in 2018. This legislation also updates the Seattle Municipal Code and removes sunsetted language from additional collection taxes on garbage tonnage. These changes are only clean-up in nature.

Separate legislation increases solid waste rates to accommodate the 2.7% tax increase in this ordinance, and should be approved if this budget action is approved. Any modification to the tax rate in this ordinance should be reviewed in conjunction with solid waste rates legislation.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2016	2017	2016	2017
	\$0	\$0	\$0	\$0
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2016	2017	2016	2017
	\$0	\$3,200,000	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2016	2017	2016	2017

	0	0	0	0
Other departments affected:				

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	2016 Revenue	2017 Estimated Revenue
General Subfund		Solid Waste Utility Tax Revenues	\$0	\$3,200,000
TOTAL				

Revenue/Reimbursement Notes: These revenues are anticipated to support additional programs related to public garbage and public clean-up.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**
No.
- b) **Is there financial cost or other impacts of not implementing the legislation?**
If this legislation is not implemented, the City would not collect between \$3-\$4 million of additional revenue, and would impact the delivery of expanded public garbage and public clean-up programs.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **Is a public hearing required for this legislation?**
No.
- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.

- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- g) **Does this legislation affect a piece of property?**
No.
- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
No.
- i) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
No program is considered with this legislation.
- j) **Other Issues:**
None

List attachments/exhibits below: