

Amendment 4 Version 1 to CB 120706 – Network Company License and Fee

Sponsor: Councilmember Nelson

Reduce the fee for network companies to \$0.05 per online order.

Effect: This amendment would reduce the fee for network companies from \$0.10 to \$0.05 per online order that results in an app-based worker’s delivery of goods or provision of other services in Seattle.

The fee would become effective on January 1, 2025. Changing the fee to \$0.05 per online order would reduce estimated fee revenue to \$1.05 million to \$1.5 million per year. Anticipated costs for 2025 through 2027 range from \$2.7 million to \$3.2 million depending on the year. This reduction would limit the fee revenue available for the regulatory costs prescribed by CB 120706. See Table 1 for estimated regulatory costs.

Table 1. Estimated regulatory costs.

City Department	Implementation Activity	2025	2026	2027
Finance and Administrative Services	License and fee requirements	\$536,000	\$442,000	\$442,000
Office of Labor Standards (OLS)	App-Based Worker Deactivation Rights Ordinance (Chapter 8.40)	\$1.13 million	\$1.13 million	\$1.56 million
OLS	App-Based Worker Minimum Payment Ordinance (Chapter 8.37)*	\$1.2 million	\$1.2 million	\$1.2 million
Total		\$2.87 million	\$2.7 million	\$3.2 million

*The 2024 Proposed Budget Adjustments include approximately \$492,000 GF for Chapter 8.37.

Amend Section 1 of CB 120706 as follows:

6.700.080 License fee

A. The fee for a network company license issued pursuant to this Chapter 6.700 shall be ~~(\$0.10)~~ \$0.05 per online order that results in an app-based worker’s delivery of goods or provision of other services in Seattle.

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