

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Chow/x4-4652	N/A

** 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 relating to taxation of free-floating bike share and free-floating scooter share services; imposing a tax on micro-mobility companies; adding a new Chapter 5.37 to the Seattle Municipal Code; and amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code.

Summary and Background of the Legislation:

This legislation would impose a new \$0.25 per-trip tax on free-floating scooter share and free-floating bike share rides that originate in Seattle. The tax would be a general excise tax on the privilege of conducting business within Seattle and is in addition to any other fee or tax imposed under separate legal authority. Proceeds from the tax may be spent on administrative costs to implement the tax, construction or maintenance of protected bike lanes, construction or maintenance of traffic calming measures, and construction and maintenance of traffic safety improvements in support of Vision Zero goals. The legislation includes an exemption for trips subject to low-income qualified reduced-fare rates.

The legislation would impose the tax effective January 1, 2023 and would raise an estimated \$716,000 per year. Finance and Administrative Services (FAS) anticipates an estimated one-time cost of \$540,000 to configure the City's tax systems to collect a new tax.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ☐ Yes ☒ No

The legislation does not include appropriations necessary to implement the tax or to expend the associated revenue. Such appropriations would need to be provided through separate legislation.

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No other financial impacts identified. The deployment and use of micro-mobility scooters and bikes in Seattle has fluctuated significantly since 2019 (when there were two vendors) to 2022 (currently 5 vendors). The price elasticity implications of imposing a new tax are not

known. SDOT's 2022 E-Scooter Share Pilot Evaluation report calculated that the average scooter trip took 15 minutes, covered 1.4 miles, and cost an estimated \$6.63.

Are there financial costs or other impacts of *not* implementing the legislation?

No financial costs or other impacts of not implementing the legislation have been identified.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

This legislation affects FAS, which would be responsible for administering the tax. FAS estimates that initial collections would begin within 12 to 15 months of the legislation's passage; this lag would not change the total amount of tax due but may have cash flow implications for when tax revenues are available to be spent.

The tax would also provide funding for Seattle Department of Transportation (SDOT) programs (protected bike lanes, traffic calming, and traffic safety). The tax may also have implications for vendor participation under SDOT's free-floating scooter/bike permit programs.

b. Is a public hearing required for this legislation?

No public hearing is required.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No notice required.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The legislation would impact 5 vendors currently operating in Seattle, which will have to consider the tax in their operating plans. The legislation includes an exemption for rides subject to low-income qualified reduced-fare rates which are a requirement of SDOT's permit program.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

The tax would increase costs for free-floating scooter share and free-floating bike share services. The proceeds of the tax would fund non-motorized transportation infrastructure and traffic safety improvements.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so,

explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No implications for climate resiliency identified.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

The legislation supports existing transportation initiatives and would provide a funding source for traffic calming, traffic safety, pedestrian infrastructure and bicycle infrastructure improvements.

Summary Attachments:

None.