

SUMMARY and FISCAL NOTE*

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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 relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

Summary and background of the Legislation: This legislation repeals Ordinance 122199 that: 1) Directs the Transfer Tax and Collection Tax outlined in 5.48.055 of the Seattle Municipal Code (referred to collectively herein as the “tonnage tax”) be deposited in the Solid Waste Fund and Parks Fund, and; 2) Directs the City to contribute 10% of the Transfer Tax and Collection Tax to the Parks Fund.

The tonnage tax, a general business use tax levied on garbage haulers, currently funds a portion of the City’s General-funded cleanup activities in the Clean City program. The Clean City program contains many sub-programs that support general fund public garbage and recycling pick-up on City property and in City parks, support illegal dumping response, and fund graffiti removal, rodent control services, and other waste reduction efforts. Seattle Public Utilities administers the program on behalf of the General Fund, and maintains Memorandums of Agreement with the Department of Parks and Recreation and Department of Transportation.

The tonnage tax, originally intended to fully fund this program, only partially funds these efforts. Tonnage tax revenues have historically fallen due to improvements in the City’s recycling targets, which do not generate revenue under this tax. As a result, the Clean City program continues to require supplemental funding from other General Fund sources.

Ordinance 122199, which this legislation would repeal, requires a burdensome process to fund the Clean City program by directing the tax to be deposited to particular funds; the Ordinance did not anticipate supplemental funding required to sustain the program.

In addition, the requirement to deposit 10% of the revenue in the Parks Fund is now obsolete. In 2009, the Law Department, in collaboration with the City Budget Office, determined that compliance with this Charter directive could be maintained with a less complicated accounting practice (and accompanying statement) in the annual Budget Ordinance. This occurred first in the 2010 Budget (Ordinance 123177, Section 8), indicating the City’s compliance with Article XI. Ongoing compliance was initiated through new accounting practice in the 2009 Second Quarter Supplemental Budget Ordinance (Ordinance 123067, Section 1, Item 1.9), which reconciled all necessary transfers to reflect this change in collection of the revenues and disbursements of the 10% contribution to Parks.

There are no financial impacts anticipated due to the repeal of this Ordinance. This legislation

will not affect revenues generated by this tax, costs associated with the programs it supports, or changes in service provision of these programs, since this reflects a net-zero transfer of revenue and expenditure authority.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

This legislation does not have direct financial implications.

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?**
No. This legislation anticipates a technical change to the procedures of collecting and distributing the tonnage tax, but will not affect revenues, costs, or programs supported by the tax, if not implemented.
- c) **Does this legislation affect any departments besides the originating department?**
Not directly from this legislation. Technical changes to the procedures of collecting and distributing the tonnage tax will require net-zero changes to the 2016 Budget for SPU.
- d) **Is a public hearing required for this legislation?**
No.
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- f) **Does this legislation affect a piece of property?**
No.
- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
None.
- h) **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.**
N/A.
- i) **Other Issues:** None.