

2018 Seattle City Council Statement of Legislative Intent

Ready for Notebook

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335	2	B	1

Budget Action Title: Requesting that the Executive work with the Council to convene a stakeholder process to explore refinements and improvements to the Employee Hours Tax

Ongoing: Yes

Primary Sponsor: Herbold, Lisa

Councilmembers:

Staff Analyst: Tony Kilduff

Date		Total	SB	KH	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

This budget action requests that the Executive work cooperatively with the Council to develop and participate in a community-led stakeholder engagement process around the establishment of an Employee Hours Tax (EHT) and/or other revenue source, that is similar to the engagement process that led to the establishment of the \$15 minimum wage. The outcome of the engagement process would be a broadly supported recommendation for an on-going revenue source that the City could collect beginning in 2019, with the understanding that such ongoing revenue would be used to address the affordability and homelessness crisis in Seattle and the displacement of low income residents. The process should also establish a nexus between the tax or revenue source and the needs of employers, employees, and residents, such as transportation, public safety, education and investments that increase the vibrancy and livability of the community.

The engagement process should include housing advocates, large and small businesses that might be subject to the tax, labor advocates, community leaders representing the interests of the homeless, and others as appropriate. The Executive should provide a report to the Council that outlines the stakeholder process to be used in 2018 and identifies ranges of proposed tax levels and thresholds defining which employers are covered (i.e., size of employer, revenue amounts or income thresholds, number of employees, etc.) and business exemptions if any (such as the Marijuana industry). The engagement process should provide recommendations in time to inform the collection of a tax in January 2019 and the Mayor's 2019-2020 Proposed Budget the Council's budget deliberations in fall 2018, and note any changes to the funding level adopted by the Council in 2018.

During the stakeholder process, the Executive should specifically develop a mechanism by which voluntary one-time financial support in 2018 or 2019 can be sought from some of Seattle's most successful businesses

to address the problem of homelessness and housing affordability while long-term, ongoing funding sources are identified to address this chronic situation.

The Executive should work with the Ethics and Elections Commissions to ensure that monies collected and distributed pursuant to this effort are done in compliance with all local, state and federal regulations and requirements.

Responsible Council Committee(s): Civil Rights, Utilities, Economic Development and Arts Committee

Date Due to Council: June 29, 2018