

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:

A RESOLUTION affirming support for progressive big business taxes to fund essential community needs; urging the Washington State Legislature to enact statewide taxes on big business and the rich without any “preemption” or other ban, limitation, or phasing out of Seattle’s ability to raise revenue through local big business taxes or other progressive revenue sources, and requesting the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

Summary and background of the Legislation:

This resolution affirms support for progressive big business taxes to fund essential community needs; urging the Washington State Legislature to enact statewide taxes on big business and the rich without any "preemption" or other ban, limitation, or phasing out of Seattle's ability to raise revenue through local big business taxes or other progressive revenue sources, and requests the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

On January 4, 2021, Crosscut reported that State Legislators were concerned that a Statewide progressive big business tax would be a “double tax” on big business in Seattle, quoting Legislators saying, “It remains an open question. ... What happens with Seattle,” “Likely, we’d have to carve out Seattle,” and that the state legislation might “phase out the Seattle tax over time” thereby preempting or limiting the amount or duration of progressive revenue that the City would be authorized to raise in the future. Poor and working-class people in Seattle are more than “double taxed” by regressive sales taxes, which are levied by Washington State, King County, and the City of Seattle. Working people in Seattle are also more than “double taxed” by regressive property taxes, which are levied by Washington State, King County, the City of Seattle, and other jurisdictions.

This resolution affirms that the Seattle City Council believes that State and local taxes in Seattle unfairly burden poor and working- people, and believes that increased taxes on big business and the rich in Seattle would reduce the unfairness of the tax structure. It advocates for State legislators to support proposed bills to establish a statewide progressive big business tax, a capital gains tax, and a billionaires tax, and it advocates for State legislators to oppose any preemption of Seattle’s ability to raise revenue through those progressive taxes.

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 X No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

No

Is there financial cost or other impacts of *not* implementing the legislation?

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

If the State Legislature preempted Seattle's ability to raise revenue through big business taxes, that could impact the City's ability to collect the projected \$214 million in big business taxes per year, and impact the use of future progressive revenues.

4. OTHER IMPLICATIONS

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

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

The resolution requests that the Office of Intergovernmental Relations communicate its content to State lawmakers.

b. Is a public hearing required for this legislation?

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

No

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

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No

d. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

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?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities. If any aspect of the legislation involves communication or outreach to the public, please describe the plan for communicating with non-English speakers.

This resolution advocates for progressive taxes on big business and the rich, which are needed to fund social housing and services needed in historically disadvantaged communities.

f. Climate Change Implications

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

Please provide a qualitative response, considering net impacts. Are there potential carbon emissions impacts of not implementing the proposed legislation. Discuss any potential intersections of carbon emissions impacts and race and social justice impacts, if not previously described in Section 4e.

This resolution advocates against state preemption of Seattle’s big business taxes. Those big business taxes are currently projected to fund building weatherization and electrification, reducing carbon emissions, and preemption would jeopardize that funding.

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.

Describe the potential climate resiliency impacts of implementing or not implementing the proposed legislation. Discuss any potential intersections of climate resiliency and race and social justice impacts, if not previously described in Section 4e.

This resolution advocates against state preemption of Seattle’s big business taxes. Those big business taxes are currently projected to fund building affordable housing, which will reduce homelessness. People experiencing homelessness are more vulnerable to the impacts of climate change, such as air quality and weather. Preemption would jeopardize the affordable housing funding.

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)?

This answer should highlight measurable outputs and outcomes.

List attachments/exhibits below: