



## Legislation Details (With Text)

**File #:** CB 118915    **Version:** 2    **Name:** CB 118915  
**Type:** Ordinance (Ord)    **Status:** Passed  
**In control:** City Clerk

**On agenda:** 3/6/2017

**Final Action:** 3/10/2017    **Ord. No.** Ord 125273

**Title:** AN ORDINANCE relating to The City of Seattle’s Office of Labor Standards; adding a new Section 3.15.007 to the Seattle Municipal Code; amending Ordinance 125207, which adopted the 2017 Budget, changing appropriations for the Office of Labor Standards and authorizing cash transfers to support appropriations changes; and establishing a special Office of Labor Standards Subfund to guarantee annual funding of The City of Seattle’s Office of Labor Standards from the City’s existing business license tax revenues.

**Sponsors:** Tim Burgess, Lisa Herbold, Rob Johnson, Debora Juarez

**Indexes:**

**Attachments:** 1. Summary and Fiscal Note, 2. Proposed Substitute, 3. Signed Ord 125273, 4. Affidavit of Publication

Date	Ver.	Action By	Action	Result
3/10/2017	2	City Clerk	attested by City Clerk	
3/10/2017	2	Mayor	Signed	
3/10/2017	2	Mayor	returned	
3/7/2017	2	City Clerk	submitted for Mayor's signature	
3/6/2017	1	City Council	passed	Pass
3/3/2017	1	Affordable Housing, Neighborhoods, and Finance Committee	pass as amended	Pass
2/15/2017	1	Affordable Housing, Neighborhoods, and Finance Committee	discussed	
2/13/2017	1	City Council	referred	
2/10/2017	1	Council President's Office	sent for review	
2/10/2017	1	City Clerk	sent for review	

### CITY OF SEATTLE

### ORDINANCE \_\_\_\_\_

### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE relating to The City of Seattle’s Office of Labor Standards; adding a new Section 3.15.007 to the Seattle Municipal Code; amending Ordinance 125207, which adopted the 2017 Budget, changing appropriations for the Office of Labor Standards and authorizing cash transfers to support appropriations changes; and establishing a special Office of Labor Standards Subfund to guarantee

annual funding of The City of Seattle's Office of Labor Standards from the City's existing business license tax revenues.

WHEREAS, The City of Seattle's Office of Labor Standards (OLS) educates, administers, implements, and enforces the City's labor standards laws including: paid sick and safe time (Seattle Municipal Code (SMC) Chapter 14.16), use of criminal history in employment decisions (SMC Chapter 14.17), minimum wage and minimum compensation (SMC Chapter 14.19), wage and tip compensation requirements (SMC Chapter 14.20), secure scheduling requirements (SMC Chapter 14.22), the Seattle Hotel Employees Health and Safety Initiative (SMC 14.25), and other labor standards that the City may enact in the future; and

WHEREAS, swift and robust enforcement of Seattle's labor standards ordinances through investigations and education efforts by OLS helps ensure that employees will receive the wages, benefits, and other protections established by Seattle's labor standards ordinances, which together enhance wage equity, create a fair and healthy economy for workers, and curb violations of labor standards for all workers, which fall disproportionately on immigrants and refugees, LGBTQ communities, people with disabilities, youth, people of color, and women; and

WHEREAS, enforcement of and education efforts about Seattle's labor standards ordinances helps ensure that businesses that comply with these ordinances are not placed in a competitive disadvantage to businesses that are not in compliance; and

WHEREAS, the City increased both the business license tax rates and the business license tax certificate fee rates in 2016 in Ordinances 125084 and 125083 in order to raise additional revenues to meet the increasing cost of public safety services, including funding 200 new police officers and increased capacity at the City's 911 call center; and

WHEREAS, in order to enable OLS to carry out its functions and duties, the City intends to guarantee the funding of OLS through the creation of a subfund within the General Subfund, to be supported by revenue, excluding those amounts collected as a result of rate increases under Ordinance 125084, from

the City's existing business license tax, commonly known as the business and occupation tax, and restrict use of that subfund to OLS; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. A new Section 3.15.007 is added to the Seattle Municipal Code as follows:

**3.15.007 Office of Labor Standards Subfund**

A. There is hereby established in the City Treasury, as a subfund of the General Fund, an Office of Labor Standards Subfund. Funds deposited in the Office of Labor Standards Subfund may only be used to pay for costs associated with the operations and activities of the City's Office of Labor Standards.

B. By September 1 of each year, the Director of the Office of Labor Standards shall certify to the Mayor and Council the funding needed for the following year to maintain each of the following elements of the operations and activities of the Office of Labor Standards:

1. Enforcement activities, including but not limited to the investigation of complaints and directed investigations;
2. Outreach to employers; and
3. Outreach to employees.

In determining the funding required to sustain these activities, annual inflationary adjustments and increases in the staffing, overhead, and infrastructure costs will be taken into account for each of these elements. Funding for enforcement should consider the level of resources needed to fulfill the goal of completing investigations within 180 days, taking into account the rate of successful completion of cases within 180 days during the previous year. The total funding required to maintain the current level of activity for all three elements shall be known as the minimum annual contribution. The minimum annual contribution for that year shall be reflected in the proposed City budget submitted by the Mayor to the City Council for the following year. Additionally, the Director may make further recommendations to the Mayor and the Council including, but not limited to, staffing, funding, and program design.

C. It is the policy goal of The City of Seattle that each year the minimum annual contribution will be appropriated in the budget to the Office of Labor Standards.

D. By January 1 of each year, an amount equal to the Office of Labor Standards Subfund appropriation for that year shall be deposited in the subfund.

E. The funding for the minimum annual contribution under subsection 3.15.007.C shall come from the City’s existing business license tax under Chapter 5.45.

F. If the revenues available from the business license tax under Chapter 5.45 are insufficient to meet the minimum annual contribution, the difference may be funded using any resources of the City’s General Subfund.

G. Nothing in this Section 3.15.007 prohibits the City from accepting grants from non-City sources or providing additional General Subfund funding above the minimum annual contribution to enable the Office of Labor Standards to strengthen existing programs and strategies, or expand their regulatory duties and staffing.

H. The Director shall establish criteria for worker outreach contracts that strongly preference organizations or collaborations of organizations that have at least two or more of the following: multi-lingual capacity, intake and outreach staff, access to community networks that are culturally relevant to workers in traditionally low-wage industries, and access to a legal clinic. Preference will also be given to organizations with a track record of effectively reaching benchmarks, including reporting timelines, established in previous contracts with the Office of Labor Standards.

Section 2. The appropriations in the 2017 Budget are adjusted as follows:

Item	Fund	Department	Budget Control Level	Amount
2.1	General Subfund (00100)	Office of Labor Standards (OLS)	Office of Labor Standards (00100-X1R01)	(\$5,746,889)
2.2	Office of Labor Standards Subfund	Office of Labor Standards (OLS)	Office of Labor Standards (00100-X1R01)	\$5,746,889
Total				\$0

Section 3. To support the appropriations in Section 2 of this ordinance, the transfer of cash from the General Subfund to the Office of Labor Standards Subfund in an amount not to exceed the appropriation in Item 2.2 of this ordinance is hereby authorized.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2017, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Edward B. Murray, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)