



Legislation Text

File #: CB 119129, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of tax administration system improvements and regulatory licensing systems in the Department of Finance and Administrative Services; authorizing an interfund loan in the amount of \$4,692,000 from the Seattle Information Technology Operating Fund to the General Subfund Fund.

WHEREAS, the City Council adopted an ordinance, introduced as Council Bill 119083, authorizing a Short-term Rental Tax to be implemented and administered by the Department of Finance and Administrative Services effective January 1, 2019; and

WHEREAS, the City Council adopted an ordinance, introduced as Council Bill 119081, relating to the regulation of short-term rental businesses by the Department of Finance and Administrative Services effective September 30, 2018; and

WHEREAS, certain improvements to current tax administration systems are necessary to implement and administer the Short-term Rental Tax prior to revenue collection; and

WHEREAS, certain improvements to current regulatory licensing and enforcement systems are necessary to implement and administer the regulation of short-term rental businesses prior to revenue collection; and

WHEREAS, the Finance and Budget Directors have determined that this interfund loan is consistent with the Debt Management Policies adopted by Resolution 31553; and

WHEREAS, regarding use of the proceeds of this interfund loan for one-time operating costs, the City Council has determined that there is no viable alternative available for advancing a core City objective; and

WHEREAS, there is sufficient cash in the Seattle Information Technology Operating Fund to support a loan of

up to \$4,692,000 through the end of 2020;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds that there is no viable alternative to meet a core City objective and that consideration by the Debt Management Policy Advisory Committee is not required for this loan, and therefore the Director of Finance is authorized to make a loan of not more than \$4,692,000 of principal and interest outstanding at any one time from the Seattle Information Technology Operating Fund (50410) to the General Subfund Fund (00100) from which funds may be drawn to pay for tax administration and regulatory license system improvements. The loan shall be repaid no later than December 31, 2020, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 2. The entire principal and interest amount of the loan authorized in Section 1 of this ordinance, and owed by the General Subfund Fund to the Seattle Information Technology Operating Fund, is intended to be repaid from the revenue generated from the Short-term Rental Tax in Seattle Municipal Code Chapter 5.54 and the revenue generated from the Short-term Rental Regulatory License fees in Chapter 6.600.

Section 3. The Director of Finance may effectuate the loan authorized in Section 1 of this ordinance by transferring cash from the Seattle Information Technology Operating Fund to the General Subfund Fund until no later than December 31, 2020. The Director of Finance is further authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

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.

Tim Burgess, Mayor

Filed by me this ____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)