

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to the Utility Discount Program; amending the income threshold for the utility discount program for water, wastewater, drainage, solid waste, and electric utility services; and amending Sections 21.49.040 and 21.76.030 of the Seattle Municipal Code.

Background: Through the Utility Discount Program (UDP), eligible households can receive a 60 percent discount on their Seattle City Light (SCL) bills and a 50 percent discount on their Seattle Public Utilities (SPU) bills. The City's UDP is currently only available to people with incomes that do not exceed 70 percent of the state median income.

As of December 31, 2025, roughly 39,000 customers were enrolled in UDP, about 36 percent of eligible customers. In 2025, SCL and SPU provided \$50.1 million in assistance to customers through ongoing UDP bill discounts. SCL and SPU partner with, and fund, the Human Services Department (HSD) to administer UDP.

This legislation would change the unit of measure of household income for the UDP from state median income to Seattle's area median income, which is much higher than Washington's state median income. Specifically, this legislation would change the income threshold for the UDP to 60 percent of the area median income for the number of individuals in the household as computed annually by the United States Department

of Housing and Urban Development in the Multifamily Tax Subsidy Projects Income Limits for the Seattle-Bellevue, WA Metro Fair Market Rent Area.

Washington's Clean Energy Transformation Act (CETA), signed into law in 2019, requires electric utilities to demonstrate progress toward making energy assistance funds available to low-income households, defined as household incomes that do not exceed 80 percent of the area median income. The eligibility change in this legislation would better align with CETA's definition of low income and with CETA's intent to make discounts more available for energy assistance. The UDP currently uses the same income eligibility threshold for both SCL and SPU, and this legislation would change income eligibility threshold for both to maintain consistency going forward.

This legislation anticipates future modification to eligibility for the UDP. The eligibility threshold adjustment in this legislation would be the first step of a three-step process to expand UDP eligibility to households with incomes up to 80 percent of area median income.

Summary Attachments: none

2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

Yes

No

a. CIP Project Name:

b. Master Project ID:

c. Project Location:

d. Start Date:

e. End Date:

f. Total Project Cost Through 2030:

3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

Yes

No

3d. Other Financial Impacts

a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts. This legislation would result in "contra revenue" for the utilities. Contra revenue is revenue not collected, in this context the bill discounts offered via UDP. The contra revenue resulting from the passage of this legislation could be balanced with commensurate rate increases for SCL rates and the SPU water rates legislation expected for Council consideration and action in summer 2026. The Executive's estimate(s) of financial impacts for changing the income threshold for UDP from 70% of SMI to 60% AMI beginning in April 2027 would be \$5 million for SCL and \$13.9 million for SPU.

b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs? N/A

c. What financial costs or other impacts might happen if this legislation is not implemented? None known

d. How might this legislation affect other City departments besides the one that proposed it? This legislation would cause SCL and SPU to change their communication about UDP and billing systems accordingly and change how HSD administers the UDP program.

4. Other Impacts

a. Does this legislation require a public hearing?

Yes

No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

Yes

No

c. Does this legislation affect a piece of property? No.

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion?

The legislation would increase the number of utility customers eligible based on household income for the UDP.

Please consider both impacts within City government (like employees and internal programs) and in the broader community.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation. none

3. What is the Language Access Plan for communicating with the public about this legislation? none

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer. N/A

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact. N/A

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress? N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization? No.