

**CITY OF SEATTLE**

**ORDINANCE** \_\_\_\_\_

**COUNCIL BILL** \_\_\_\_\_

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; and adding a new Chapter 22.900H, Rental Registration and Inspection Ordinance Program Fees.

WHEREAS, the City Council, by Ordinance 124011, directed that fees to implement the Rental Registration and Inspection Ordinance program be adopted as part of the 2014 budget process; NOW, THEREFORE,

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

Section 1. Section 22.900A.010 of the Seattle Municipal Code, last amended by Ordinance 119255, is amended as follows:

**22.900A.010 Title**

Chapters 22.900A through (~~22.900G~~)22.900H shall be known as the "Fee Subtitle," may be cited as such, and will be referred to in this subtitle as "this subtitle."

Section 2. Section 22.900A.020 of the Seattle Municipal Code, last amended by Ordinance 123453, is amended as follows:

**22.900A.020 Purpose**

A. It is the purpose of this Subtitle to prescribe equitable fees and fee collection policies for all services provided by the Department of Planning and Development, hereafter, "Department" or "DPD," and other City departments that are sufficient to cover their costs of processing applications, inspecting and reviewing plans, and preparing detailed statements required by Chapter 43.21C RCW.

1 B. An additional purpose of this subtitle is to prescribe special fees for testing,  
2 examination, registration, inspection, or the furnishing of certain services or materials.

3 C. A further purpose of this subtitle is to prescribe fees to cover the costs of  
4 implementing and administering the Rental Registration and Inspection Ordinance program as  
5 required by Chapter 22.214.

6 Section 3. Section 22.900A.030 of the Seattle Municipal Code, last amended by  
7 Ordinance 123755, is amended as follows:

8 **22.900A.030 Payment and responsibility for fees**

9 A. No permit shall be issued or approved, no Certificate of Occupancy shall be issued,  
10 no drawing or other data relating to such permit shall be examined, and no certificate or license  
11 shall be issued until the corresponding fees prescribed by this subtitle have been paid.  
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13 B. Unless otherwise specified in this subtitle, each distinct component of an application,  
14 review, permit, certificate, license, or other fee collected by the Department shall be charged as a  
15 separate fee.  
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17 C. Both the applicant for the permit, certificate ~~((or))~~, license, or fee associated with the  
18 Rental Registration and Inspection Ordinance program, and the owner of the subject property,  
19 are jointly and severally responsible for payment of fees required by this subtitle. However,  
20 when an applicant is not the owner and is not acting, even in part, as agent for the owner, the  
21 applicant is solely responsible for payment of applicable fees. Applicants and owners are liable  
22 for all charges incurred whether or not a favorable decision or recommendation is given by the  
23 Director, and regardless of whether a permit is issued, the project or application is canceled or  
24 denied before permit issuance, or a certificate or license is not issued.  
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1 D. The Director is authorized to accept as payment for fees contemplated under the  
2 ordinance codified in this subtitle the following forms of payment: U.S. currency, cashier's  
3 checks, corporate checks, traveler's checks, personal checks drawn on in-state banks, electronic  
4 funds transfers, and credit cards. Further, the Director has full authority to refuse any form of  
5 payment where the Director believes sufficient cause((s)) exists to question the City's ability to  
6 collect full payment.

7  
8 E. Rental housing registrations, rental housing registration renewals, rental housing  
9 registration reinstatements, private qualified rental housing inspector registrations, or private  
10 qualified rental housing inspector renewal registrations shall not be issued until the  
11 corresponding fees prescribed by this subtitle have been paid. The Department shall not perform  
12 rental housing unit inspections as a qualified rental housing inspector until the corresponding  
13 fees prescribed by this Subtitle have been paid.

14  
15 Section 4. Section 22.900A.050 of the Seattle Municipal Code, last amended by  
16 Ordinance 122297, is amended as follows:

17 **22.900A.050 Transition**

18 A. Land Use and Environmentally Critically Areas Fees. Minimum land use review fees  
19 for applications requiring a land use or environmentally critical areas review shall be charged  
20 according to the permit fee legislation in effect when the application was received by the  
21 Department. Hourly fees shall be charged according to the legislation in effect when the review  
22 is performed.  
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1 B. Other Fees. Fees for other applications shall be set according to the ((~~permit fee~~  
2 ~~legislation~~))Fee Subtitle in effect at the time the review is performed unless one of the following  
3 occurs:

4 1. The permit is issued within ((~~twelve (12))~~)12 months of the start of the initial  
5 review; or

6 2. If longer than ((~~twelve~~))12 months, the Director determines that there was  
7 reasonable and continuous progress on the completion of permit requirements.

8 If either Item 1 or 2 occurs, the application shall be subject to the ((~~permit fee~~  
9 ~~legislation~~))Fee Subtitle in effect at the time the application was received by the  
10 Department.  
11

12 Section 5. Section 22.900A.060 of the Seattle Municipal Code, last amended by  
13 Ordinance 123755, is amended as follows:  
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15 **22.900A.060 Delinquent fees**

16 A. Delinquent Fees. Whenever any fees have not been paid within 30 days after the  
17 billing date, the person or persons responsible for payment of the fee may be billed, payable  
18 immediately, for the remainder of the fees due. Interest shall accrue on the unpaid balance at 12  
19 percent per annum, with a minimum \$1 charge. The Director is authorized to collect any fees  
20 that remain unpaid at 90 days after the billing date.  
21

22 B. Not Sufficient Funds Fees. Whenever checks accepted prove not to be covered by  
23 sufficient funds, the person or persons responsible for payment of the fee shall be billed, payable  
24 immediately, for the remainder of the fees due and a \$21 charge. This shall be in addition to the  
25 delinquent fees assessed in Section 22.900A.060((-))A.  
26

1 C. Remedies.

2 1. The Director may issue a stop-work order as provided in Section  
3 22.900A.070 if the person or persons responsible for payment of a fee have not done so within  
4 30 days after the billing.

5 2. Following notice to the applicant, the Director may suspend processing,  
6 and/or withhold issuance of a permit, decision, certificate or approval on any application if fees  
7 have not been fully paid until such time as the fees are paid.

8 3. Following notice to the applicant, the Director may cancel a permit  
9 application if fees have not been fully paid.

10 4. Following notice to the applicant, the Director may refer collection of any  
11 amounts due under this Subtitle to a collection agency. The cost to the Department for the  
12 collection services will be assessed as costs, at the rate agreed to between the Department and the  
13 collection agency, and added to the penalty.

14 5. Following notice to the applicant, the Director may take other actions to  
15 collect amounts due, including but not limited to, placing delinquent accounts on a cash-only  
16 basis.

17 D. Only subsection 22.900A.060.B of this Section 22.900A.060 shall apply to the Rental  
18 Registration and Inspection Ordinance program in Chapter 22.900H.

19 Section 6. Section 22.900A.080 of the Seattle Municipal Code, last amended by  
20 Ordinance 123453, is amended as follows:

21 **22.900A.080 Civil penalty for violations((=))**

1           A. Any person failing to comply with the provisions of this subtitle shall be subject to a  
2 civil penalty in the amount of \$27 per day for each failure to comply, from the date of failure to  
3 comply until compliance is achieved.

4           B. The penalty imposed by this subtitle shall be collected by civil action brought in the  
5 name of the City and commenced in Municipal Court. The Director shall notify the City  
6 Attorney in writing of the name of any person subject to the penalty and the amount of the  
7 penalty and the City Attorney shall, with the assistance of the Director, take appropriate action to  
8 collection the penalty.  
9

10           C. This Section 22.900A.080 shall not apply to the Rental Registration and Inspection  
11 Ordinance program in Chapter 22.900H.

12           Section 7. A new Chapter 22.900H Rental Registration and Inspection Ordinance  
13 Program Fees is added to the Seattle Municipal Code as follows:  
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15           **22.900H.010 Purpose**

16           This Chapter 22.900H contains fees for the Rental Registration and Inspection Ordinance  
17 program required by Chapter 22.214.

18           **22.900H.020 Rental housing registration and renewal fee**

19           The fee for registering a property containing rental housing units is \$175 for the first  
20 rental housing unit plus an additional fee of \$2 for each additional rental unit. The fee is payable  
21 at the time the registration application is received by the Department. The fee for renewing a  
22 rental housing registration is the same as the rental housing registration fee and is payable at the  
23 time the renewal application is received by the Department.  
24

25           **22.900H.030 Rental housing registration and renewal late fee**  
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1           The fee for registering a property containing rental housing units late or renewing a rental  
2 housing registration late is \$20 for registrations or renewals postmarked or received by the  
3 Department after the registration deadline. This late fee is in addition to the registration fee or  
4 renewal fee and any applicable penalties provided for in Chapter 22.214.

5           **22.900H.040 Rental housing registration reinstatement fee**

6           The fee for reinstating a revoked rental housing registration is \$300 and is payable at the  
7 time of reinstatement.  
8

9           **22.900H.050 Private qualified rental housing inspector training and registration fees**

10          The fee for private qualified rental housing inspector training is \$50 and is payable in  
11 advance of the training. The fee for registering as a private qualified rental housing inspector is  
12 \$200 and is payable at the time of registration.  
13

14          **22.900H.060 Rental housing unit inspection fees if the department serves as a**  
15 **qualified rental housing inspector**

16          The fee for the Department to serve as a qualified rental housing inspector to perform a  
17 rental housing unit inspection for a property and one housing unit is \$130. The fee for the  
18 Department to inspect each additional housing unit on the same property is \$25. The inspection  
19 fee is paid in advance of the inspection. The Department shall not charge for additional re-  
20 inspections for each unit the Department initially inspected to confirm that repairs required to  
21 pass the rental housing unit inspection and obtain a Certificate of Compliance have been  
22 completed.  
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1 Section 8. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.  
4

5 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2013, and  
6 signed by me in open session in authentication of its passage this  
7 \_\_\_\_ day of \_\_\_\_\_, 2013.  
8

9  
10 \_\_\_\_\_  
11 President \_\_\_\_\_ of the City Council  
12

13 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2013.  
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16 \_\_\_\_\_  
17 Michael McGinn, Mayor  
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19 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2013.  
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22 \_\_\_\_\_  
23 Monica Martinez Simmons, City Clerk  
24

25 (Seal)  
26

**2014 BUDGET LEGISLATION FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Department of Planning & Development (DPD)	Kris Castleman / 684-5243	Melissa Lawrie / 684-5805

**Legislation Title:**

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; and adding a new Chapter 22.900H, Rental Registration and Inspection Program Fees.

**Summary of the Legislation:** This legislation establishes fees for the Rental Registration and Inspection Ordinance program as directed by the City Council in Ordinance 124011.

**Background:**

In October 2012, the City Council established the Rental Registration and Inspection Ordinance program to protect the health, safety, and welfare of the public and prevent deterioration and blight conditions that adversely impact the quality of life in the city. By the end of 2016, the program will register all rental properties in Seattle, and within 10 years all rental properties will have been inspected at least once for compliance with key life safety and health standards. Following Council direction, DPD is establishing several fees to support the program. There will be fees for:

- Rental Housing Registration;
- Rental Housing Registration Renewal;
- Late Rental Housing Registrations and Renewals;
- Rental Housing Registration Reinstatement;
- Private Qualified Rental Housing Inspector Training;
- Private Qualified Rental Housing Inspector Registration; and
- Rental Housing Unit Inspection.

The proposed fees are developed to fully and exclusively fund the Rental Registration and Inspection Ordinance program. The fees are based on DPD projections of the number of required rental registrations and inspections, estimates of the work required to operate the program, and the cost of the supporting IT system. DPD's goal is to have fees and expenses balance out over the five year registration cycle outlined in the authorizing ordinance. DPD expects to adjust fees for registration renewals, inspections, and other program activities as necessary to keep fee revenue in line with program costs.

Two fees addressed in the program-enacting ordinance are not included in this legislation. First, the fee for renewing a private qualified rental housing inspector registration is not

included because inspector renewals will not be necessary until 2016 and it is premature to estimate the cost. Second, a rental housing registration transfer fee is not included because DPD proposes to eliminate the transfer fee through separate legislation amending the Rental Registration and Inspection Ordinance. DPD believes the registration transfer fee will act as a disincentive for keeping registration information up to date. The very limited staff time required for registration transfers can be covered by overall registration costs.

**X This legislation has financial implications.**

**Summary of Changes to Revenue Generated Specifically from this Legislation:**

	<b>Revenue Source</b>	<b>2014 Proposed</b>	<b>2015 Estimated</b>
Planning and Development Fund (15700)	Rental Registration and Inspection Fees	\$881,791	\$3,386,838
<b>Total Fees and Charges Resulting From Passage of This Ordinance</b>		<b>\$881,791</b>	<b>\$3,386,838</b>

Revenue Change Notes: The estimated revenue for the 2014 Proposed Budget is from the registration of the approximately 4,400 properties with 5 or more units. The 2015 column is from the registration of approximately 22,000 properties with 1-4 units.

**Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Revenue Source</b>	<b>Total 2014 Revenue</b>	<b>Total 2015 Revenue</b>
Planning and Development Fund (15700)	Rental Registration and Inspection Fees	\$881,791	\$3,386,838
<b>TOTAL</b>		<b>\$881,791</b>	<b>\$3,386,838</b>

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**

No.

- b) **What is the financial cost of not implementing this legislation?**

Not implementing this legislation as proposed would prevent DPD from collecting fees to support the start up and administration of the Rental Registration and Inspection Ordinance program. DPD would not be able to staff the program or support the systems

necessary run the program. In addition, DPD would not be able to recoup the funds it has already expended to support start up of the program.

**c) Does this legislation affect any departments besides the originating department?**

No.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

There are no alternatives that can achieve the same or similar objectives.

**e) Is the legislation subject to public hearing requirements?**

No.

**f) Other Issues:**

None.

**Please list attachments to the fiscal note below:**

None.