



**OFFICE OF THE CITY CLERK**

**Acknowledgement of Receipt**

On December 11, 2013 at 5:08, p.m., Elizabeth Campbell filed an Initiative

Petition with the Office of the City Clerk. This measure has been assigned Initiative number 104.

Monica Martinez Simmons, City Clerk

Date: 12-11-13

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**Clerk Staff Use**

Date/Time Stamp:

2013 DEC 11 AM 5:10 CITY CLERK	FILED CITY OF SEATTLE
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FILED  
CITY OF SEATTLE

2013 FEB 11 PM 5:08

December 11, 2013 CITY CLERK

Ms. Monica Simmons, City Clerk  
City of Seattle  
600 Fourth Avenue  
PO Box 94728  
Seattle, WA 98124-4728

Dear Monica,

Please find attached two copies of an initiative that I wish to file with the City of Seattle.

I have sent the Word file to you via email. If this is not an adequate electronic copy and you require one on a separate media platform besides email please let me know and I will send you a standalone copy of the electronic file.

I look forward to any assistance or corrections your office or the City Attorney may offer in the process of reviewing the initiative for form and in the preparation of the title.

Thank you in advance for your time and consideration.

Sincerely,

15in2014.com

A handwritten signature in cursive script that reads "Elizabeth Campbell".

Elizabeth Campbell

EAC/br

# INITIATIVE 104 Setting minimum wage standards and reducing business taxes

"WARNING: "Ordinance 94289 provides as follows: "Section 1. It is unlawful for any person: 1. To sign or decline to sign any petition for a City initiative, referendum, or Charter amendment, in exchange for any consideration or gratuity or promise thereof; or 2. To give or offer any consideration or gratuity to anyone to induce him or her to sign or not to sign a petition for a City initiative, referendum, or Charter amendment; or 3. To interfere with or attempt to interfere with the right of any voter to sign or not to sign a petition for a City initiative, referendum, or Charter amendment petition by threat, intimidation or any other corrupt means or practice; or 4. To sign a petition for a City initiative, referendum, or Charter amendment with any other than his or her true name, or to knowingly sign more than one (1) petition for the same initiative, referendum or Charter amendment measure, or to sign any such petition knowing that he or she is not a registered voter of The City of Seattle." The provisions of this ordinance shall be printed as a warning on every petition for a City initiative, referendum, or Charter amendment. "Section 2. Any person violating any of the provisions of this ordinance shall upon conviction thereof be punishable by a fine of not more than Five Hundred Dollars (\$500) or by imprisonment in the City Jail for a period not to exceed six (6) months, or by both such fine and imprisonment."

INITIATIVE PETITION FOR SUBMISSION TO THE SEATTLE CITY COUNCIL. To the City Council of The City of Seattle: We, the undersigned registered voters of The City of Seattle, State of Washington, propose and ask for the enactment as an ordinance of the measure known as Initiative Measure No. .... entitled:

(established ballot title of the measure)

a full, true and correct copy of which is included herein, and we petition the Council to enact said measure as an ordinance; and, if not enacted within forty-five (45) days from the time of receipt thereof by the City Council, then to be submitted to the qualified electors of The City of Seattle for approval or rejection at the next regular election or at a special election in accordance with Article IV, Section 1 of the City Charter; and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of The City of Seattle, State of Washington, and my residence address is correctly stated.

( \* Only Registered Seattle Voters Can Sign This Petition \* )

Petitioner's Signature	Petitioner's Printed Name	Residence Address Street and Number (if any)	Date Signed
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## COMPLETE TEXT OF INITIATIVE NO. 104

**SECTION 1. FINDINGS.** The People of Seattle find and declare that the following measure is necessary in order to ensure that to the greatest extent reasonably practicable that workers of Seattle have social and economic wellbeing, and that the businesses that employ them also maintain their social and economic wellbeing. Setting minimum wage standards and adjusting business taxes will promote and sustain the social and economic wellbeing of Seattle's workers and businesses, and will ensure the vitality and prosperity of the local economy.

**SECTION 2. SEATTLE MUNICIPAL CODE TITLE 4 PERSONNEL, CHAPTER 4.20 COMPENSATION AND WORKING CONDITIONS GENERALLY, SECTION SUBCHAPTER I GENERAL COMPENSATION IS AMENDED AS FOLLOWS:**

SubChapter I 4.20.015 - Minimum Wages.

**Definitions.** As used in this Chapter, the following terms shall have the following meaning:

*"Category 1 Employer"* means the City of Seattle, and any employer engaging in any business activity as defined and enumerated herein as a Chain Restaurant Employer, as a Chain Retail Store Employer, as a Hospitality Employer, as a Sports-Entertainment Facility Employer, or as a Transportation Employer, all obligated to abide by or governed by the requirements of this Chapter.

(a) *"Chain Restaurant Employer"* means any restaurants, convenience stores, delis, bakeries, cookie counters, ice cream or coffee shops with two or more locations (within the city limits of Seattle or elsewhere in Washington State) doing business under the same name. and or offering substantially the same menu items, that is, 80% or more of the menu at two or more of locations is the same, is prepared using a standardized recipe, and is collectively doing at least \$1 million in annual gross sales. Restaurants and retail operations that are located within a hotel, public facility, corporate cafeteria, conference facility or meeting facility that meet the above criteria are also considered to be a Chain Restaurant Employer for the purposes of this Chapter.

(b) *"Chain Retail Employer"* means a "formula business" operating as a discount department store, department store, superstore, warehouse store/club, or a combination of one or more of those retail operational categories, ranging in store size from approximately 40,000 square feet to 150,000 or more square feet, selling a standardized variety of merchandise in its stores, including but not limited to any combination of housewares, home furnishings, apparel, groceries, wine, beer, liquor/spirits, electronics, clothing, and beauty aids, operates with standardized business practices from store to store, has two or more locations in Washington State that operate under a common ownership with the same name, or that operate as franchises, and collectively is doing at least \$1 million in annual gross sales.

(c) *"Hospitality Employer"* means a person who operates within the City any Hotel that has one hundred (100) or more guest rooms and thirty (30) or more workers or who operates any institutional foodservice or retail operation employing ten (10) or more non-managerial, nonsupervisory employees. This shall also include an employer who employs others providing services for customers on the aforementioned premises, such as a temporary agency, supplier, contractor, agent of any kind, or subcontractor of the employer.

(d) *"Sports-Entertainment Facility Employer"* means a sports-entertainment facility, with either an indoor or outdoor arena space, includes a publicly or privately owned arena, coliseum, stadium, or facility where sporting, recreation, or entertainment events are presented for a price of admission.

(e) *"Transportation Employer"* means:

1) A person, excluding a certificated air carrier performing or providing services for itself within the city limits of Seattle, who:

(i) operates or provides within the City any of the following: any curbside passenger check-in services; baggage check services; wheelchair escort services; baggage handling; cargo handling; rental luggage cart services; ground transportation management; or any janitorial and custodial services, facility maintenance services, security services, or customer service performed in any place of business where any of the services listed in this paragraph are also performed; and

(ii) employs twenty-five (25) or more non-managerial, nonsupervisory employees in the performance of that service.

2) A transportation employer also includes any person who:

- i. operates or provides rental car services utilizing or operating a fleet of more than twenty-five (25) cars; shuttle transportation utilizing or operating a fleet of more than ten (10) vans or buses; or parking lot management controlling more than fifty (50) parking spaces; and
- ii. employs ten (10) or more non-managerial, nonsupervisory employees in the performance of that operation.

*"Category 1 Learner and Apprentice"* means any non-managerial, nonsupervisory individual employed by a Category 1 Employer, who has not completed the required training for a particular job of the employer. In no event shall the individual be deemed a learner or apprentice in any job category maintained by a Category 1 Employer after six months of training except where for the particular job a minimum of proficiency cannot be acquired in six months and for which an apprenticeship program exists.

*"Category 1 Worker"* means all employees, learners or apprentices working for a Category 1 Employer; it shall *not* include:

(a) Any individual designated in this chapter as a "Category 2 worker/employee";

(b) Any individual employed in a bona fide executive, managerial, or professional capacity;

(c) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(d) Any individual standing in loco parentis to foster children in their care;

(e) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(f) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(g) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(h) Any handicapped person employed in a sheltered workshop, certified by a state or local governmental agency that has been exempted from any Washington State minimum wage requirements.

(i) Any person employed on a casual basis to provide baby-sitting services;

(j) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(k) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(l) Any individual whose earnings are derived in whole or in part from sales commissions and whose hours and places of employment are not substantially controlled by the employer, any person working as an independent contractor;

(m) Any individual who is incarcerated in any jail or correctional facility operated by the City of Seattle or for the benefit of the City of Seattle, including offenders who provide labor or services on the grounds of such jail or correctional facility;

(n) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

*"Category 2 Employer"* means all persons engaging in any business activity as defined in the SMC except those designated herein as and enumerated as a "Category 1 Employers". A Category 2 Employer includes:

(a) Every person engaging within the City in business as an extractor or producer of products or by-products for sale or for commercial or industrial use, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

(b) Every person engaging within the City in business as a manufacturer of products, including by-products, manufactured or processed regardless of the place of sale or the fact that deliveries may be made to points outside the City.

(c) Every person engaging within the City in the business of making sales at wholesale or retail (including public road construction)

(d) Every person engaging within the City in the business of:

- i. Buying wheat, oats, corn, barley and rye, but not including any manufactured or processed products thereof, and selling the same at wholesale, without regard to the place of delivery of articles, commodities or merchandise sold; or
- ii. Manufacturing wheat into flour.

(e) Every person engaging within the City in the business of:

- i. printing;
- ii. both printing and publishing newspapers, magazines, periodicals, books, music, and other items;
- iii. publishing newspapers, magazines and periodicals;
- iv. processing for hire; or
- v. conducting a tour operator business.

(f) Every person doing business with the City, involving the sale to the City of materials, supplies, equipment, improvements, or contractual services, whether the goods or services are delivered within or outside of the City and whether or not such person has an office or place of business within or outside of the City.

(g) This subsection also includes employers, among others and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing,

or producing custom software or of customizing canned software, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail or a sale at wholesale.

“*Category 2 Workers*” means all employees working for a Category 2 employer as enumerated in Category 2 employer sections (a) through (g) above; it shall *not* include:

- (a) Any individual designated in this chapter as a “Category 1 worker/employee”, or as a Category 1 learner or apprentice;
- (b) Any individual employed in a bona fide executive, managerial, or professional capacity;
- (c) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
- (d) Any individual standing in loco parentis to foster children in their care;
- (e) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
- (f) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
- (g) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
- (h) Any handicapped person employed in a sheltered workshop, certified by a state or local governmental agency that has been exempted from any Washington State minimum wage requirements.
- (i) Any person employed on a casual basis to provide baby-sitting services;
- (j) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
- (k) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
- (l) Any individual whose earnings are derived in whole or in part from sales commissions and whose hours and places of employment are not substantially controlled by the employer, any person working as an independent contractor;
- (m) Any individual who is incarcerated in any jail or correctional facility operated by the City of Seattle or for the benefit of the City of Seattle, including offenders who provide labor or services on the grounds of such jail or correctional facility;
- (n) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

“*Chain Restaurant Worker*” means any non-managerial, nonsupervisory individual employed by a Chain Restaurant Employer.

“*Chain Retail Worker*” means any non-managerial, nonsupervisory individual employed by a Chain Retail Employer.

“*Chapter*” means the new Seattle Municipal Code *SubChapter I 4.20.015 - Minimum Wages* established by this initiative.

“*City*” means the City of Seattle.

“*City Council*” means the Seattle City Council, as duly and regularly constituted from time to time.

“*City of Seattle Worker*” means any non-managerial, nonsupervisory individual employed by the City, and means any non-managerial, nonsupervisory individual directly or indirectly employed by the City; an “indirectly employed individual” means any worker compensated for their work on an hourly basis that is employed by any agent, consultant, contractor, or subcontractor of the City, including but not limited to being employed by any City department, agency, agent, or representative of any kind, or employed by any form of an agent that is paid by the City to act in any capacity on behalf of the City.

“*Code*” or “*SMC*” means the Seattle Municipal Code.

“*Compensation*” means any wages, tips, bonuses, and other payments reported as taxable income earned from being employed by category of employer.

“*Effective Date*” means the date this Ordinance shall take effect.

“*Employee*” means any non-managerial, nonsupervisory individual employed for wages or salary; it may be used interchangeably herein with “worker”, and as used in this Chapter it includes any individual who is employed by an employer classified as either a Category 1 or a Category 2 employer.

“*Employer*” as used in this Chapter means any employer or employer regardless of classification category.

“*Hospitality Worker*” means any non-managerial, nonsupervisory individual employed by a Category 1 Hospitality Employer.

“*Hotel*” means a building that is used for temporary lodging and other

related services for the public, and also includes any contracted, leased, or sublet premises connected to or operated in conjunction with such building's purpose (such as a restaurant, bar or spa) or providing services at such building.

“*Person*” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business, business trust, estate, trust, association, joint venture, or any other legal or commercial entity, whether domestic or foreign, other than a government agency.

“*Service charge*” is defined as set forth in RCW 49.46.160(2)(c).

“*Sports-Entertainment Worker*” means any non-managerial, nonsupervisory individual employed by a Category 1 Sports-Entertainment Facility Employer.

“*Tips*” mean any tip, gratuity, money, or part of any tip, gratuity, service charge, or money that has been paid or given to or left by a customer or customers for a Category 1 Worker over and above the actual amount due for services rendered, or for goods, food, drink, or articles sold or served to the customer.

“*Transportation Worker*” means any non-managerial, nonsupervisory individual employed by a Category 1 Transportation Employer.

“*Worker*” means any non-managerial, nonsupervisory individual employed for wages or salary; it may be used interchangeably herein with “employee”; it includes any individual who is employed by an employer classified as either a Category 1 or a Category 2 employer.

Minimum wage established for Category 1 Workers, covered learners and apprentices, and Category 2 employees – Annual adjustment.

Category 1 Employers shall pay their employees a minimum wage of not less than the hourly rates as set forth in sections (a) and (b) below:

(a) For all Category 1 Workers that are not classified as Learner or Apprentice workers their rate of compensation upon the effective date of this Chapter shall be fifteen dollars (\$15.00) per hour worked.

(b) In order to prevent curtailment of opportunities for employment of Category 1 Learners and Apprentice workers, to avoid undue hardship and to safeguard the wage rates under this Chapter, all Category 1 Workers that are classified as learners or apprentices by any Category 1 Employer shall receive a minimum wage less than the minimum wage rate established for Category 1 Workers in section (a) of this section. Such wage rates for Category 1 learners and apprentices shall be as follows:

(i) Learner rates

Learner employees will be paid the following percentage of the Category 1 wage rate established in section (a) herein:

Age	% of weekly rate of pay
16 years of age and under	75
17 to 18 years of age	85
19 to 20 years of age	95

(ii) Apprentice rates for one to four year apprenticeships

1. The minimum wage rates of pay for apprentices completing a one to three-year apprenticeship are:

Year of apprenticeship	% of Category 1 Minimum Wage
1st year	75
2nd year	87.5
3rd year	100

2. The minimum wage rates of pay for apprentices completing a four-year apprenticeship are:

Year of apprenticeship	% of Category 1 Minimum Wage
1st year	75
2nd year	83.33
3rd year	91.66
4th year	100

Minimum wage established for Category 2 Workers

Category 2 Employers shall pay their employees a minimum wage of not less than

\$1.18 per hour above the minimum wage rate established under RCW 49.46.020 *Minimum hourly wage* per hour worked.

Annual Cost-of-Living adjustment of minimum wage rates – date.

On January 1, 2016, and on January 1st of each following year, the minimum wages hereunder shall be adjusted to maintain employee purchasing power by increasing the current year's hourly wage rates by the rate of inflation. The increase in the living wage rates shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States Department of Labor. The declaration of the Washington State Department of Labor and Industries each September 30th regarding the rate by which Washington State's minimum wage rate is to be increased effective the following January 1, pursuant to RCW 49.46.020(4)(b), shall be the authoritative determination of the rate of increase to be applied for purposes of this provision.

The City's executive, or their designee, shall publish a bulletin by October 15th of each year announcing the adjusted wage rates. Such

bulletin will be made available to all workers and to any other person who has filed with the City executive, or their designee, with a request to receive such notice; lack of notice shall not excuse noncompliance with this Chapter.

All employers covered by this Chapter shall provide written notification of the rate adjustments to each of its workers and make the necessary payroll adjustments by the first day of the January following the publication of the bulletin.

**Other compensation credit: Gratuities, goods or services as part of wages -- effect on minimum wage requirements.**

No employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of fifty percent of the minimum wage rate specified in this section, except, total compensation for such employee shall total at least the minimum hourly wage specified in this Chapter with any difference being made up by the employer.

If an employee receives and retains compensation in the form of goods or services as an incident of his employment and if he is not required to exercise any discretion in order to receive the goods or services, the employer is required to pay only the difference between the fair market value of the goods and services and the minimum wage otherwise required to be paid by this section. The fair market value of the goods and services shall be computed on a weekly basis. The employer with the consent of the covered worker, who shall not unreasonably withhold their consent, shall establish a method of valuing the goods and services received by any covered employee in lieu of the wages otherwise required to be paid under the provisions of this section. The employer with the consent of the covered worker, who shall not unreasonably withhold their consent, shall also establish a method of determining those types of goods and services that are an incident of employment the receipt of which does not require any discretion on the part of the employee.

**Retention or accrual of service charges and tips; inure to the benefit of those performing the service.**

Any service charge imposed on customers of, or tips received by employees of, an employer shall be retained by or paid to the non-managerial, nonsupervisory worker(s) who perform services for the customers from whom the tips are received or the service charges are collected from.

The amounts received from tips or service charges shall be allocated among the workers who performed these services equitably; and specifically:

- Amounts collected for banquets or catered meetings shall be paid to the worker(s) who actually work with the guests at the banquet or catered meeting; and
- Amounts collected for room service shall be paid to the worker(s) who actually deliver food and beverage associated with the charge; and
- Amounts collected for portage service shall be paid to the worker(s) who actually carry the baggage associated with the charge.

**Employer recordkeeping requirements.**

(A) All Category 1 employers covered by this Chapter shall retain records documenting hours worked by Category 1 worker, and wages and benefits provided to each such employee, for a period of two years, and shall allow the City executive, or their designee, access to such records, with appropriate notice and at a mutually agreeable time, to investigate potential violations and to monitor compliance with the requirements of this Chapter.

(B) Any Category 1 employers required to comply with the terms of this Chapter shall not be required to modify their recordkeeping policies to comply with this Chapter as long as records reasonably indicate the hours worked by Category 1 workers and the wages and benefits provided to each such Category 1 worker.

(C) When an issue arises as to the amount of wage earned or paid to a Category 1 worker under this Chapter, if the employer does not maintain or retain adequate records documenting hours worked by the Category worker and paid to them, it shall be presumed that the employer has violated this Chapter.

**Waivers Not Permitted**

The provisions of this Chapter may not be waived by agreement between an individual Category 1 worker and any Category 1 employer. All of the provisions of this Chapter, or any part hereof, including the employee work and compensation reporting requirement set forth herein, may be waived in a bona fide collective bargaining agreement - but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute, or be permitted, as a waiver of all or any part of the provisions of this chapter.

**Prohibition of retaliation against workers for exercising their rights -- Violations -- Civil infraction -- Penalties.**

The protections afforded under this section shall apply to any individual who mistakenly but in good faith alleges violations of this Chapter.

All employers covered by this Chapter who violate any provisions of it, including engaging in any of the following acts, is guilty of a civil infraction as established in RCW 7.80:

(A) It shall be a violation for an employer, or any other person to in any way interfere with, restrain, or obstruct an employee's exercise

of, or their attempt to exercise, any of their rights protected under this Chapter.

(B) It shall be a violation for an employer to take adverse action against or to discriminate against a worker because the worker has exercised in good faith the rights protected under this Chapter.

Such rights include but are not limited to:

- i. the right to file a complaint with any entity or agency about the employer's alleged violation of this chapter;
- ii. the right to inform his or her employer, union or other organization and/or legal counsel about a employer's alleged violation of this section;
- iii. the right to cooperate in any investigation of alleged violations of this chapter;
- iv. the right to oppose any policy, practice, or act that is unlawful under this section;
- v. the right to inform other workers of their rights under this section.

No worker's compensation or benefits may be reduced in response to this Chapter or the pendency thereof.

(C) It shall be a violation for an employer covered by this Chapter to discharge, harass, or in any other manner discriminate against any employee who has notified the City Attorney or any other city, county, or state authority that he has not been paid wages in accordance with the provisions of this Chapter, or who has caused to be instituted any proceeding under or related to Chapter, or who has testified or is about to testify in any such proceeding;

(D) It shall be a violation for an employer covered by this Chapter to pay a covered employee or to agree to pay them wages at a rate less than the rate applicable under this Chapter. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;

(E) It shall be a violation for an employer covered by this act to designate an employee as a learner or apprentice solely for the purpose of evading the provisions of this Chapter.

Each day of violation constitutes a separate offense.

**Right to bring action for underpayment of wages -- Limitation**

Any person, individual, or covered employee claiming violation of this Chapter may bring an action against employer covered by this Chapter in King County Superior Court to enforce the provisions of this Chapter, and shall be entitled to all remedies available at law or in equity appropriate to remedy any violation of this chapter, including but not limited to lost compensation for all workers impacted by the violation(s), damages, reinstatement and injunctive relief. A plaintiff who prevails in any action to enforce this Chapter shall be awarded his or her reasonable attorney's fees and expenses.

Any employer covered by this Chapter who is determined by a municipal or other legal authority to have paid any employee less wages than the wages to which the employee is entitled to under or by virtue of this Chapter shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the underpaid wages as liquidated damages; less any amount actually paid to the employee by the employer, and for costs and such reasonable attorney fees as may be allowed by the court or jury.

Any agreement between the employee and the employer to work for less than the wage rate shall be no defense to the action.

All actions for the collection of any deficiency in wages shall be commenced within three years of the accrual of the cause of action.

**Compliance -- Enforcement of Chapter.**

The City shall upon the effective date of this Chapter draft and adopt auditing procedures sufficient to monitor and ensure compliance by it and the employers required to comply with the requirements of this Chapter. Complaints that any provision of this Chapter has been violated may also be presented to the City Attorney, who is hereby authorized to investigate and, if it deems appropriate, initiate legal or other action to remedy any violation of this chapter.

The City of Seattle shall upon the effective date of this Chapter draft, adopt, and publish rules for the identification of persons committing a civil infraction related to this Chapter, for the procedure for prosecuting any actions related to enforcing the provisions of this Chapter, and it shall draft, adopt, and publish any monetary or other penalties established for the civil infraction(s) committed, to include at a minimum each of the following penalties:

- (a) Interest assessment on all due and unpaid wages at the rate of interest specified in RCW 4.56.110(3)(b), which shall accrue from the date that the wages were due and payable to the date the wages are paid in full;
- (b) Reimbursement of the City's administrative costs of enforcement and reasonable attorney's fees, except where prohibited by state or federal law;
- (c) Revocation or suspension by the City of any registration certificates, permits or licenses held or requested by the employer until such time as violation(s) are remedied; and
- (d) If a repeat violation of this Chapter has been finally determined, the City Attorney may require the Employer to post public notice of the Employer's failure to comply in a form determined by the City.

Nothing herein shall be construed to preclude existing remedies for

enforcement of Seattle Municipal Code chapters.

**SECTION 3. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.45 - BUSINESS LICENSE TAX IS AMENDED AS FOLLOWS:**

**5.45.050 Imposition of the tax—Tax or fee levied**

Except as provided in subsection 5.55.040.D.1, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

B. Upon every person engaging within the City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured or processed within the City, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so manufactured or processed, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

C. Upon every person engaging within the City in the business of making sales of retail services, or making sales at wholesale or retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of ~~.00215~~ .001075.

D. Upon every person engaging within the City in the business of:

1. Printing;
2. Both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items;
3. Publishing newspapers, magazines and periodicals;
4. Extracting for hire;
5. Processing for hire; or
6. Conducting a tour operator business; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of ~~.00215~~ .001075.

E. Upon every motor carrier engaging within the City in the business of transporting freight for hire, as to such persons, the amount of the tax with respect to such business shall be equal to the gross income from the transport of freight picked up in the City multiplied by the rate of ~~.00415~~ .002075. The business of transporting freight for hire includes the business of leasing or renting motor vehicles operated by the lessor, or by a person under the control of the lessor, to transport freight for hire.

F. Upon every person engaging within the City in the business of providing international investment management services, as to such persons, the amount of tax with respect to such business shall be equal to the gross income or gross proceeds of sales of the business multiplied by a rate of ~~.0015~~ .00075.

G. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~.00415~~ .002075. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, persons engaged in the business of freight brokering, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

**SECTION 4. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.46 - SQUARE FOOTAGE TAX IS AMENDED AS FOLLOWS:**

**5.46.030 Tax Imposed—Measure of the Tax.**

A. A square footage business tax for the act or privilege of engaging in business activities within the city is hereby levied upon and shall be collected from every person that leases, owns, occupies or otherwise maintains an office or place of business within the city.

The tax shall be measured by the number of square feet of business floor space and other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city during the reporting period.

B. The amount of the tax due shall be equal to the sum of the number of square feet of business floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.39~~ \$0.195 quarterly (~~\$1.56~~ \$0.78 annually), and the number of square feet of other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.13~~ \$0.065 quarterly (~~\$0.52~~ \$0.26 annually). The Director will adjust the square footage business tax rate annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

C. Persons with more than one office or place of business must include all

business floor space and other floor space for all locations. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space only if the renter has exclusive right of possession in the space as against the landlord. Space rented for the storage of goods in a warehouse where no walls separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the other floor space of the person that operates the warehouse business, and not by the business renting the warehouse space.

D. Persons whose business floor space, other floor space, or period of occupancy changes during a reporting period shall prorate the business floor space or other floor space for the reporting period. A change in the period of occupancy during the reporting period shall be prorated using a ratio of the number of days of occupancy during the reporting period compared to the total number of days within the reporting period. If the amount of business floor space or other floor space changes during the reporting period, floor space for the period shall be computed as a weighted average of the rentable space occupied during different segments of the reporting period. Weighting will be based upon the percentage of the reporting period that a given amount of space was leased, owned, occupied, or otherwise maintained within the city.

E. Any person required to pay the square footage business tax imposed in this chapter that also pays the business license tax as imposed in Section 5.45.050 may take a credit against the square footage business tax computed as follows:

1. The credit is equal to the square footage business tax owed for the reporting period multiplied by the ratio of adjusted gross income derived from the Seattle business location(s) for the reporting period to the total gross income derived from the Seattle business location(s) for the reporting period.

2. For the purpose of this section, "total gross income derived from the Seattle business location(s)" is equal to the total gross income derived from the business activities rendered by, generated from, or attributable to the place(s) of business located within the city.

3. For the purpose of this section, "adjusted gross income derived from the Seattle business location(s)" shall include total gross income derived from the Seattle business location(s) less:

(a) income derived from the sales of tangible personal property and retail services by the Seattle business location(s) delivered to a location within the State of Washington where no local jurisdiction imposes an eligible gross receipts tax; and

(b) the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.080 less the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.076 and Section 5.45.081

When the change in income calculated in subsection 3(b) is a negative number, the amount so calculated shall reduce the amount calculated in subsection 3(a); however, if the sum of the totals calculated under subsections 3(a) and 3(b) is a negative number, then the adjusted gross income derived from the Seattle business location(s) shall be equal to the total gross income derived from the Seattle business location(s).

4. In computing the tax credit, any gross receipts from manufacturing, extracting, and printing, and also subject to a selling tax (such as retailing and wholesaling) according to the Multiple Activity Tax Credit (Section 5.45.070), shall be included in the gross income and the adjusted gross income only once.

**SECTION 5. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II- TAXES CHAPTER 5.55.040, WHEN DUE AND PAYABLE—REPORTING PERIODS—MONTHLY, QUARTERLY, AND ANNUAL RETURNS—THRESHOLD PROVISIONS—COMPUTING TIME PERIODS—FAILURE TO FILE RETURNS IS AMENDED AS FOLLOWS:**

A. Other than any annual license fee or registration fee assessed under this chapter, the tax imposed by SMC Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Business Tax), 5.48 (Utility Tax), and 5.52 (Gambling Tax), shall be due and payable in quarterly installments.

The Director may use his or her discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by SMC Section 5.52.030 A2 and B2 for punchboards and pulltabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return.

B. Taxes shall be paid as provided in this chapter and accompanied by a return on forms as prescribed by the Director. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is true and complete.

C. Tax returns must be filed and taxes must be paid on or before the last day of the next month following the end of the assigned reporting period covered by the return. Tax returns must be filed whether or not any tax is owed. Returns not received on or before the due date are subject to penalties and interest in accordance with this chapter, in addition to any other civil or criminal sanction or remedy that may be available.

D.1. For purposes of the tax imposed by SMC Chapter 5.45, any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, is less than the tax threshold amount defined in subsection D 3, below, in the current calendar year, shall complete and file a return, declare no tax due on their return, and submit the return to the Director. The gross receipts and

deduction amounts shall be entered on the tax return even though no tax may be due.

2. Any person who reasonably estimates that the gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, will be less than the tax threshold amount defined in subsection D 3 below, in the current calendar year may file a declaration so stating on a form supplied by the Director at the same time he or she files his or her application for a business license or a renewal. The Director may assign any person who files such declaration to an annual reporting period.

3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and thereafter, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000).

Ord. 123039, § 1, of 2009 amended subsection D.3., effective January 1, 2010, to read as follows: 3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and 2009, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000). For calendar years 2010 ~~and thereafter,~~ to 2014 the Business and Occupation tax threshold amount shall be One Hundred Thousand Dollars (\$100,000) ~~for calendar year 2015~~ the Business and Occupation tax threshold amount shall be Two Hundred Fifty Thousand Dollars (\$250,000), and for every calendar years after 2015 the threshold amount shall be adjusted annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

E. A taxpayer who commences to engage in business activity shall file a return and pay the tax or fee for the portion of the reporting period during which he or she is engaged in business activity subject to the conditions set forth in subsection D, above.

F. Except as otherwise specifically provided by any other provision of this chapter, in computing any period of days prescribed by this chapter the day of the act or event from which the designated period of time runs shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or City or Federal legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or City or Federal legal holiday.

G. If any taxpayer fails, neglects or refuses to file his or her return as and when required in this chapter, the Director is authorized to determine the amount of the tax or fees due by obtaining facts and information upon which to base his or her good faith estimate of the tax or fees due. Such assessment shall be deemed prima facie correct and shall be the amount of tax owed to the City by the taxpayer, except as provided herein. The Director shall notify the taxpayer by mail of the amount of tax so

determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable ~~unless the taxpayer files their return for the outstanding tax period(s) and pays in full any outstanding taxes, fees, interest or penalties due for those return periods.~~

#### SECTION 6. EXCEPTIONS.

The requirements of this ordinance shall not apply where and to the extent that state or federal law or regulations preclude their applicability. To the extent that state or federal law or regulations require the consent of another legal entity, such as a municipality, port district, or county, prior to becoming effective, the City Mayor and City Council is directed to formally and publicly request that such consent be given.

SECTION 7. CONFORMITY WITH SEATTLE MUNICIPAL CODE. The City Clerk or other City of Seattle official charged with code revision is authorized to change the numbering and formatting of this Ordinance in order that it conforms with the Seattle Municipal Code's codification and numbering scheme, all in a manner that is consistent with the intent and language of this Ordinance.

#### SECTION 8. EFFECTIVE DATE.

The effective date of this Ordinance shall be January 1, 2015.

#### SECTION 9. CONSTRUCTION CLAUSE.

The provisions of this ordinance are to be liberally construed to effectuate the intent, policies, and purposes of this ordinance.

SECTION 10. SEVERABILITY. If any provision of this Ordinance is declared illegal, invalid or inoperative, in whole or in part, or as applied to an employer covered by this Chapter, and/or in any particular circumstance, by the final decision of any court of competent jurisdiction, then all portions and applications of this Ordinance not declared illegal, invalid or inoperative, shall remain in full force or effect to the maximum extent permissible under law.

#### SECTION 11.

The City Attorney is directed to fully defend against any challenge to this ordinance and/or to its application to any person, property or circumstance.

#### SECTION 12. MISCELLANEOUS.

This Ordinance may be known and cited as the "Worker and Business Sustainability Ordinance".

#### SECTION 13. EMERGENCY.

This ordinance is necessary for the immediate preservation of the public peace, health, or safety, or support of the City government and its existing public institutions, and takes effect on January 1, 2015.

## PLEASE RETURN THIS SIGNED PETITION AS SOON AS POSSIBLE TO THE INITIATIVE SPONSOR

### Initiative Sponsor Information:

15in2014.com, a community non-profit organization

Office: 4027 21<sup>st</sup> Avenue West Suite 205  
Seattle, WA 98199

#### Contact Phone Numbers:

Office: 206-283-0298  
Elizabeth Campbell: 206-769-8459

Email: [talktome@15in2014.com](mailto:talktome@15in2014.com)

Fax: 206-283-6300

Website: [www.15in2014.com](http://www.15in2014.com)







**Legislative Department  
Office of City Clerk  
Memorandum**

**Date:** December 12, 2013  
**To:** Peter Holmes, City Attorney  
**From:** Monica Martinez Simmons, City Clerk *MS*  
**Subject:** Notification of Proposed Initiative Measure (104)

Please find attached Clerk File No. 313406, which contains proposed Initiative Measure No. 104, a proposed Ordinance **“setting** minimum wage standards and reducing business taxes.”

This proposed initiative was filed with the Office of the City Clerk on Wednesday, December 11, 2013, at 5:08p.m. The proposed initiative is being transmitted to you for preparation of a ballot title pursuant to Article IV, Section 1B of the City Charter and Seattle Municipal Code, Section 2.08. Elizabeth Campbell personally filed the proposed initiative measure and provided the following contact information: Elizabeth Campbell, 4027 21<sup>st</sup> Avenue West, Suite 205, Seattle, Washington 98199; office number: 206-283-0298; Email address: talktome@15in2014.com.

Please note the subject initiative petition title provided by Ms. Campbell reads as follows:

**“Initiative 104 Setting minimum wage standards and reducing business taxes”**

Thank you for your attention to this matter. If I may assist in any way, please contact me at ext. 48361.

Attachment (CF 313406)

cc: Mayor McGinn  
City Councilmembers  
Jeff Slayton, Gary Smith, John Schochet (Law Department)  
Wayne Barnett, Executive Director Seattle Ethics and Elections Commission

**MEMORANDUM**

Received  
DEC 19 2013  
City of Seattle  
Office of the City Clerk

TO: Monica Martinez Simmons, City Clerk  
FROM: Carlton Seu, Assistant City Attorney  
SUBJECT: Ballot title for proposed Initiative Measure No. 104  
DATE: December 18, 2013

*Via e-mail and hand-delivered*

Please find below the ballot title prepared by the City Attorney to be submitted to King County Elections.

“Initiative Measure No. 104 concerns the establishment of a minimum wage requirement for Seattle employers.

This measure would require chain-restaurant, chain-retail, hospitality, sports-entertainment, and transportation employers, along with the City, to pay a minimum hourly wage of \$15 to most employees, and \$11.25 or more to trainees. Other businesses would pay \$1.18 above the State’s minimum hourly wage. These rates would increase annually based on the consumer price index. The measure reduces City business tax rates, and increases the threshold amount that businesses must earn to be taxed, from \$100,000 to \$250,000.

Should this measure be enacted into law?

Yes .....   
No .....  ”

**City of Seattle  
Legislative Department  
Office of the City Clerk**



**Monica Martinez Simmons, City Clerk**

**Certified Mail  
#70111150000147890683**

December 19, 2013

Ms. Elizabeth Campbell  
4027 21st Avenue West Suite 205  
Seattle, WA 98199

**Subject: *Initiative Measure No. 104***

Dear Ms. Campbell:

The subject initiative measure filed with my office on December 11, 2013, designated Initiative Measure No. 104, has been reviewed and approved as to form and filed as Clerk File No. 313406. The ballot title has been prepared by the City Attorney's Office in accordance with SMC 2.08.020 and reads as follows:

**THE CITY OF SEATTLE  
INITIATIVE MEASURE NUMBER 104**

The City of Seattle Initiative Measure No. 104 concerns the establishment of a minimum wage requirement for Seattle employers.

This measure would require chain-restaurant, chain-retail, hospitality, sports-entertainment, and transportation employers, along with the City, to pay a minimum hourly wage of \$15 to most employees, and \$11.25 or more to trainees. Other businesses would pay \$1.18 above the State's minimum hourly wage. These rates would increase annually based on the consumer price index. The measure reduces City business tax rates, and increases the threshold amount that businesses must earn to be taxed, from \$100,000 to \$250,000. Should this measure be enacted into law?

Should this measure be enacted into law?

Yes

No

Those in favor shall vote "Yes;" those opposed shall mark their ballots "No."

600 4<sup>th</sup> Avenue, Floor 3, PO Box 94728, Seattle, Washington 98124-4728  
(206) 684-8344 Fax: (206) 386-9025 TTY: (206) 233-0025  
email: [clerk@seattle.gov](mailto:clerk@seattle.gov)

Accommodations for people with disabilities provided upon request. An equal opportunity employer

Elizabeth Campbell  
December 19, 2013

Page 2

The initiative process is outlined in Article IV, Section 1.B of the City Charter, Seattle Municipal Code Section 2.08, and the Revised Code of Washington (RCW) 29A.36.071, .080, and .090. Please be advised the signed petitions for Initiative Measure No. 104 must be filed with the City Clerk within 180 days from approval notification. The 180-day count begins Thursday, December 19, 2013. The number of signatures required shall be equal to or not less than ten (10) percent of the total number of votes cast for the office of Mayor at the last preceding municipal election (2013). The minimum number of resident registered voter signatures required is 20,638 and shall be filed with my office no later than the end of the business day on Tuesday, June 17, 2013, 5:00 p.m. The appropriate documentation and petition signatures will then be transmitted to the King County Elections Department for verification of the sufficiency of signatures in accordance with state law.

Should you have any questions, please feel free to contact me at (206) 684-8361 or via e-mail at [Monica.simmons@seattle.gov](mailto:Monica.simmons@seattle.gov)

Very truly yours,



Monica Martinez Simmons  
City Clerk

*Cc: Mayor McGinn  
City Councilmembers  
Peter Holmes, City Attorney  
Jeff Slayton, Assistant, City Attorney  
Wayne Barnett, Director, EEC*

600 4<sup>th</sup> Avenue, Floor 3, PO Box 94728, Seattle, Washington 98124-4728  
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