

ORDINANCE No. 118411

COUNCIL BILL No. 111427

Law Department

The City of Seattle--Legisla

INDEXED

REPORT OF COMMITTEE

AN ORDINANCE relating to the revenue license code and amending Seattle Municipal Code Sections 5.32.020, 030, .050, .080, .110, .136, .160, .170; and .290.

OK

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____ report that we have considered the same and respectfully recommen

COMPTROLLER FILE No. _____

Introduced: <u>SEP 23 1996</u>	By: <u>CHOE</u>
Referred: <u>SEP 23 1996</u>	To: <u>Finance & Budget Committee</u>
Referred:	To:
Referred:	To:
Reported: <u>NOV 5 1996</u>	Second Reading: <u>NOV 25 1996</u>
Third Reading: <u>NOV 5 1996</u>	Signed: <u>NOV 25 1996</u>
Presented to Mayor: <u>NOV 26 1996</u>	Approved: <u>DEC 3 1996</u>
Returned to City Clerk: <u>DEC 3 1996</u>	Published: <u>Full 9pp.</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

10/14/96 Held over well
10/21/96 Re-order to Finance
Full Council vote 9-

Committee Chair

NO DISC

Law Department

The City of Seattle--Legislative Department

Passed, 4-0,
(-SEPT.)

INDEXED

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____

report that we have considered the same and respectfully recommend that the same:

Nov. 11/20
Passed 1-0,
AS Amended

10/14/96 Held one week. Motion by choice

10/21/96 Re-refers to Finance Committee. Motion by choice

Full Council vote, 9-0

RUSH

Committee Chair

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ORDINANCE 118411

1
2 AN ORDINANCE relating to the revenue license code and amending Seattle Municipal Code
3 Sections 5.32.020, 030, .050, .080, .110, .130, .160, .170; and .200.

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

5 Section 1. Section 5.32.020 of the Seattle Municipal Code (Ordinance 106024, § 1.020) is
6 amended to read as follows:

7 **5.32.020 Exercise of power to license for revenue.**

8 The provisions of this ((This)) chapter shall be deemed ((is)) an exercise of the power of
9 the City to license for revenue. The provisions of this chapter are subject to periodic statutory
10 or administrative rule changes or judicial interpretations of the ordinances or rules. The
11 responsibility rests with the licensee to reconfirm tax computation procedures and remain in
12 compliance with the City code.

13 Section 2. Section 5.32.030 of the Seattle Municipal Code (Ordinance 106024, § 1.030, as
14 last amended by Ordinance 117169 § 13) is further amended to read as follows:

15 **5.32.030 Definitions.**

16 A. Except as otherwise specifically provided in this chapter, the following words and
17 terms shall have the meaning specified in this section:

18 1. "Administrative Code" means Ordinance 102228, as now or hereafter amended, of
19 The City of Seattle, ((:))

20 2. "Business" includes all activities engaged in with the object of gain, benefit or
21 advantage to the taxpayer or to another person or class, directly or indirectly.

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1 mutual, cooperative, fraternal, nonprofit or otherwise, and includes the United States or any
2 instrumentality thereof, provided a valid tax may be levied upon or collected therefrom under
3 the provisions of this chapter ((corporation, trust, incorporated or unincorporated association,
4 marital community, joint venture, or other legal entity or group of persons however
5 organized)). The term includes all nonprofit tax-exempt organizations.

6 B. Unless the context clearly indicates otherwise, the singular includes the plural, and the
7 plural includes the singular. Words in one (1) gender shall include all other genders.

8 Section 3. Section 5.32.050 of the Seattle Municipal Code (Ordinance 106024, § 1.120) is
9 amended to read as follows:

10 **5.32.050 License -- Not transferable or assignable -- Exceptions.**

11 A. A license is not assignable or transferable, except that a license may be transferred:

12 1. To the surviving or new corporation, whenever the licensed corporation is merged
13 or consolidated pursuant to RCW Chapter 23B.11 ((23A.20)), as now or hereafter amended;

14 2. To the surviving partner, or to a new partnership which consists exclusively of the
15 surviving partners, whenever one (1) partner of a licensed partnership dies:

16 3. To the surviving spouse, whenever one (1) spouse of a licensed marital community
17 dies;

18 4. To any one (1) or more former partners, whenever a licensed partnership is
19 dissolved and one (1) or more of the former partners of the licensed partnership continue the
20 operation of the business as an individual proprietorship or partnership without the addition of
21 any new partner, and all of the other former partner consent in writing to the transfer of the
license, which written consent shall be filed with the application for such transfer;

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5. To one (1) spouse, whenever a licensed marital community is dissolved and the other spouse consents in writing to the transfer of the license, which written consent shall be filed with the application for such transfer; ~~((:))~~

6. In case of the death of any licensee before the expiration of his or her license, his or her administrator or executor, duly appointed as such by order of court, may continue to act under said license for the un-expired term thereof upon filing with the City proof of such appointment.

B. As used in this section, the term "partnership" includes joint venture, and the term "partner" includes a coventurer.

Section 4. Section 5.32.080 of the Seattle Municipal Code (Ordinance 106024, § 1.220) is amended to read as follows:

5.32.080 Payment of fees by NSF check.

Whenever payment of any license fee imposed by this chapter is made by check which is returned for lack of sufficient funds or for any other reason, any license issued pursuant to payment by that check is void from the date of license issuance. Any void license shall be promptly returned to the Director and is subject to confiscation by the Director. The license may be reissued upon payment of the original amount plus an additional amount of Twenty ~~((Ten))~~ Dollars (\$20.00) ~~(\$10.00))~~ by certified check, money order, or in cash.

Section 5. Section 5.32.110 of the Seattle Municipal Code (Ordinance 106024, § 1.500) is amended to read as follows:

5.32.110 Computation of time.

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

7 Section 6. Section 5.32.130 of the Seattle Municipal Code (Ordinance 106024, § 1.800) is
8 amended to read as follows:

9 **5.32.130 Penalties.**

10 A. Any person who engages in conduct made unlawful, or who violates or fails to comply
11 with any provision of this chapter, or rule or regulation, shall be guilty of an offense subject to
12 the provisions of Chapters 12A.02 and 12A.04 of this Code (Criminal Code). Such unlawful
13 conduct, violation, or failure to comply is a violation unless specifically designated as a crime.
14 Any person convicted of a violation is punishable by a civil fine not to exceed One Thousand
15 ((Five Hundred)) Dollars (\$1,000.00) (((\$500.00))). Any person convicted of a crime is
16 punishable by a fine of not more than One Thousand ((Five Hundred)) Dollars (\$1,000.00)
17 (((\$500.00))) or by imprisonment in the City Jail for a term ((of)) not exceeding ninety (90)
18 days ((more than six (6) months)), or both such fine and imprisonment

19 B. Any person who engages in, or carries on, any business subject to a license fee under
20 this chapter without having a license to do so shall be guilty of a violation of this chapter for
21 each day during which the business is so engaged in, or carried on; and any licensee who fails
or refuses to pay the license fee, or any part thereof, on or before the due date, shall be deemed

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1 to be operating without having a license to do so. ~~((Each day of continued violation or~~
2 ~~noncompliance shall constitute a separate offense.))~~

3 Section 7. Section 5.32.160 of the Seattle Municipal Code (Ordinance 106024, § 2.070, as
4 last amended by Ordinance 114895 § 2) is further amended to read as follows:

5 **5.32.160 Exemptions.**

6 No amusement device license is required under this chapter for an amusement device if:

7 A. An ~~((an))~~ admissions tax is collected upon its use pursuant to Ordinance 72495, as now
8 or hereafter amended;

9 B. The maximum ~~((for which the minimum))~~ price for one use or one ~~((of))~~ play is less
10 than Twenty-five Cents (\$.25) ~~((Five Cents (\$.05)))~~; or

11 C. The device is placed in and operated jointly by a "Bona fide charitable organization" or
12 "Bona fide nonprofit organization" as defined in RCW 9.46.020⁹ as now or hereafter amend.
13 provided alcoholic beverages are not served nor sold at the location where such device is
14 placed. This exemption shall expire December 31, 1999.

15 Section 8. Section 5.32.170 of the Seattle Municipal Code (Ordinance 106024, § 2.100, as
16 last amended by Ordinance 116468 § 1) is further amended to read as follows:

17 **5.32.170 License fees.**

18 A. The license fee for any amusement device which is operated or activated by the
19 insertion of a coin, ~~((of))~~ currency, token, credit card, debit card, or other payment medium
20 shall be based upon the minimum price levied for one play or one use of the device. The
21 annual license fee shall be one hundred (100) times ~~((Twenty Dollars (\$20.00) for each Five~~
22 ~~Cents (\$.05) of))~~ the price of one ~~((for))~~ play or use of the device rounded to the next highest

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fifty dollars. The maximum license fee shall be Fifteen ~~((One))~~ Hundred Dollars ~~(\$1,500.00)~~
~~(((\$100.00)))~~ per device per year ~~((:))~~; with the following exceptions:

(1.) The license fee for a countertop device or electronic dart board shall not exceed
Twenty-five Dollars (\$25.00), and

(2.) The license fee for a pool table, billiard table, shuffle board, jukebox or other
music device shall not exceed Fifty Dollars (\$50.00).

B. The license fee for any amusement device which is not operated or activated by the
insertion of a coin, ~~((or))~~ currency, token, credit card, debit card, or other payment medium
shall be Five ~~((One))~~ Hundred Dollars ~~(\$500.00)~~ ~~(((\$100.00)))~~ per year; except the license for a
pool table, billiard table or shuffle board shall not exceed Fifty Dollars ~~(\$50.00)~~ per year.

C. The operator of an event, not to exceed three (3) calendar days in length, may obtain a
Special Event License in lieu of the amusement device license required under this Chapter.
The fee for the license shall be Five Dollars (\$5.00) per device offered for play at such event;
provided, the minimum fee shall be Twenty-five Dollars (\$25.00) and the maximum fee shall
be One Hundred Dollars (\$100.00).

D. Revenue from the operation of devices, whether licensed or unlicensed, is subject to the
provisions of Chapter 5.44 of the Seattle Municipal Code.

Section 9. Section 5.32.200 of the Seattle Municipal Code (Ordinance 106024, § 2.700, as
last amended by Ordinance 110579 § 2) is further amended and read as follows:

5.32.200 Unlawful acts.

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1 A. It is unlawful for any owner, operator, manager or other person in charge of any place
2 or location to permit or allow to be used or played in such place any amusement device not
3 having attached thereto an amusement device license.

4 B. It is unlawful for the owner of any amusement device to fail to display his or her
5 ((his/her)) name and current address on each amusement device when in use or play or
6 available for use or play.

7 C. It is unlawful for the owner, operator, manager, or other person in charge of any place
8 or location to permit or allow to be used or played in such place any amusement device not
9 having attached thereto the name and current address of the owner of the amusement device.

10 D. Remedial action by the City may include fines and imprisonment as provided for in
11 Section 5.32.130.

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1 Section 10. The provisions of this ordinance are declared to be separate and severable.
2 The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this
3 ordinance, or the invalidity of the application thereof to any person or circumstance shall not
4 affect the validity of the remainder of this ordinance, or the validity of its application to other
5 persons or circumstances.

6 Section 11. This ordinance shall take effect and be in force thirty (30) days from and
7 after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10)
8 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

9 PASSED by the City Council of the City of Seattle this 25 day of
10 November, 1996, and signed by me in open session in authentication of its passage this
11 25 day of November, 1996.

12 Jan Deags
13 President _____ of the City Council

14 Approved by me this 3 day of December, 1996.

15 Norman B Rice
16 Mayor

17 Filed by me this 3 day of December, 1996.

18 Margaret Carter
19 City Clerk

20 (Seal)
21

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ORDINANCE _____

AN ORDINANCE relating to the revenue license code and amending Seattle Municipal Code Sections 5.32.020, 030, .050, .080, .110, .130, .160, .170; and .200.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.32.020 of the Seattle Municipal Code (Ordinance 106024, § 1.020) is amended to read as follows:

5.32.020 Exercise of power to license for revenue.

The provisions of this ((This)) chapter shall be deemed ((is)) an exercise of the power of the City to license for revenue. The provisions of this chapter are subject to periodic statutory or administrative rule changes or judicial interpretations of the ordinances or rules. The responsibility rests with the licensee to reconfirm tax computation procedures and remain in compliance with the City code.

Section 2. Section 5.32.030 of the Seattle Municipal Code (Ordinance 106024, § 1.030, as last amended by Ordinance 117169 § 13) is further amended to read as follows:

5.32.030 Definitions.

A. Except as otherwise specifically provided in this chapter, the following words and terms shall have the meaning specified in this section:

1. "Administrative Code" means Ordinance 102228, as now or hereafter amended, of The City of Seattle, ((s))

2. "Business" includes all activities engaged in with the object of gain, benefit or advantage to the taxpayer or to another person or class, directly or indirectly.

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1 3. ~~((2-))~~ "Criminal Code" means the Seattle Criminal Code, Ordinance 102843, as now
2 or hereafter amended, ~~((:))~~

3 4. ~~((3-))~~ "Department" means the Finance Department of The City of Seattle, or its
4 functional successor;

5 5. ~~((4-))~~ "Director" means the Finance Director of The City of Seattle, or functional
6 successor, and shall include the Director's authorized representatives ~~((:))~~

7 6. "Engaging in business" means commencing, conducting or continuing in business
8 and also the exercise of corporate or franchise powers as well as liquidating a business when
9 the liquidators thereof hold themselves out to the public as conducting such business.

10 7. ~~((5-))~~ "General provisions" means Subchapter I of this chapter, as now or hereafter
11 amended, ~~((:))~~

12 8. "Licensee" includes any person, as defined herein, required to have a license
13 hereunder, or liable for any license hereunder, or liable for any license fee hereunder, or for the
14 collection of any license fee hereunder, or who engages in any business, or who performs any
15 act, for which a license fee is imposed by this chapter.

16 9. "Nonprofit tax-exempt organization" means an organization, corporation, or
17 association which is currently recognized by the United States of America as exempt from
18 federal income taxation pursuant to Section 501(c)(1), (3), (4), or (6) of the Internal Revenue
19 code of 1954, 26 U.S.C. §501, as now existing or hereafter amended.

20 10. ~~((6-))~~ "Person" means any individual, partnership(s), receiver, assignee, trustee in
21 bankruptcy, trust, estate, firm, joint venture, joint-stock company, corporation, association,
22 society, limited liability corporation, or any group of individuals acting as a unit, whether

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1 mutual, cooperative, fraternal, nonprofit or otherwise, and includes the United States or any
2 instrumentality thereof, provided a valid tax may be levied upon or collected therefrom under
3 the provisions of this chapter ((corporation, trust, incorporated or unincorporated association,
4 marital community, joint venture, or other legal entity or group of persons however
5 organized)). The term includes all nonprofit tax-exempt organizations.

6 B. Unless the context clearly indicates otherwise, the singular includes the plural, and the
7 plural includes the singular. Words in one (1) gender shall include all other genders.

8 Section 3. Section 5.32.050 of the Seattle Municipal Code (Ordinance 106024, § 1.120) is
9 amended to read as follows:

10 **5.32.050 License -- Not transferable or assignable -- Exceptions.**

11 A. A license is not assignable or transferable, except that a license may be transferred:

- 12 1. To the surviving or new corporation, whenever the licensed corporation is merged
13 or consolidated pursuant to RCW Chapter 23B.11 (~~23A.20~~), as now or hereafter amended;
- 14 2. To the surviving partner, or to a new partnership which consists exclusively of the
15 surviving partners, whenever one (1) partner of a licensed partnership dies;
- 16 3. To the surviving spouse, whenever one (1) spouse of a licensed marital community
17 dies;
- 18 4. To any one (1) or more former partners, whenever a licensed partnership is
19 dissolved and one (1) or more of the former partners of the licensed partnership continue the
20 operation of the business as an individual proprietorship or partnership without the addition of
21 any new partner, and all of the other former partners consent in writing to the transfer of the
22 license, which written consent shall be filed with the application for such transfer;

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5. To one (1) spouse, whenever a licensed marital community is dissolved and the other spouse consents in writing to the transfer of the license, which written consent shall be filed with the application for such transfer, ~~((:))~~

6. In case of the death of any licensee before the expiration of his or her license, his or her administrator or executor, duly appointed as such by order of court, may continue to act under said license for the un-expired term thereof upon filing with the City proof of such appointment.

B. As used in this section, the term "partnership" includes joint venture, and the term "partner" includes a coventurer.

Section 4. Section 5.32.080 of the Seattle Municipal Code (Ordinance 106024, § 1.220) is amended to read as follows:

5.32.080 Payment of fees by NSF check.

Whenever payment of any license fee imposed by this chapter is made by check which is returned for lack of sufficient funds or for any other reason, any license issued pursuant to payment by that check is void from the date of license issuance. Any void license shall be promptly returned to the Director and is subject to confiscation by the Director. The license may be reissued upon payment of the original amount plus an additional amount of Twenty ~~((Ten))~~ Dollars ~~(\$20.00)~~ ~~(((\$10.00)))~~ by certified check, money order, or in cash.

Section 5. Section 5.32.110 of the Seattle Municipal Code (Ordinance 106024, § 1.500) is amended to read as follows:

5.32.110 Computation of time.

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1 Except as ~~((otherwise))~~ specifically provided by any other provisions of this chapter, in
2 computing any period of days prescribed by this chapter the day of the act or event from which
3 the designated period of time runs shall not be included. The last day of the period shall be
4 included unless it is a Saturday, Sunday, or ~~((a))~~ City legal holiday, in which case ~~((event))~~ the
5 last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or
6 City legal holiday.

7 Section 6. Section 5.32.130 of the Seattle Municipal Code (Ordinance 106024, § 1.800) is
8 amended to read as follows:

9 **5.32.130 Penalties.**

10 A. Any person who engages in conduct made unlawful, or who violates or fails to comply
11 with any provision of this chapter, or rule or regulation, shall be guilty of an offense subject to
12 the provisions of Chapters 12A.02 and 12A.04 of this Code (Criminal Code). Such unlawful
13 conduct, violation, or failure to comply is a violation unless specifically designated as a crime.
14 Any person convicted of a violation is punishable by a civil fine not to exceed One Thousand
15 ~~((Five Hundred))~~ Dollars (\$1,000.00) ~~(((\$500.00)))~~. Any person convicted of a crime is
16 punishable by a fine of not more than One Thousand ~~((Five Hundred))~~ Dollars (\$1,000.00)
17 ~~(((\$500.00)))~~ or by imprisonment in the City Jail for a term ~~((of))~~ not exceeding ninety (90)
18 days ~~((more than six (6) months))~~, or both such fine and imprisonment.

19 B. Any person who engages in, or carries on, any business subject to a license fee under
20 this chapter without having a license to do so shall be guilty of a violation of this chapter for
21 each day during which the business is so engaged in, or carried on; and any licensee who fails
22 or refuses to pay the license fee, or any part thereof, on or before the due date, shall be deemed

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1 ~~to be operating without having a license to do so. ((Each day of continued violation or~~
2 ~~noncompliance shall constitute a separate offense.))~~

3 Section 7. Section 5.32.160 of the Seattle Municipal Code (Ordinance 106024, § 2.070, as
4 last amended by Ordinance 114895 § 2) is further amended to read as follows:

5 **5.32.160 Exemptions.**

6 No amusement device license is required under this chapter for an amusement device if:

7 A. An ((an)) admissions tax is collected upon its use pursuant to Ordinance 72495, as now
8 or hereafter amended; or

9 B. The maximum ((for which the minimum)) price for one use or one ((of)) play is less
10 than Twenty-five Cents (\$.25) ((Five Cents (\$.05)))).

11 Section 8. Section 5.32.170 of the Seattle Municipal Code (Ordinance 106024, § 2.100, as
12 last amended by Ordinance 116468 § 1) is further amended to read as follows:

13 **5.32.170 License fees.**

14 A. The license fee for any amusement device which is operated or activated by the
15 insertion of a coin ~~((of))~~ currency, token, credit card, debit card, or other payment medium
16 shall be based upon the maximum ((minimum)) price levied for one play or one use of the
17 device. The annual license fee shall be Fifty ((Twenty)) Dollars (\$50.00) (((\$20.00))) for each
18 Twenty-five ((Five)) Cents (\$.25) ((\$.05)) of the price for play or use of the device. The
19 maximum license fee shall be Fifteen ((One)) Hundred Dollars (\$1,500.00) (((\$100.00))) per
20 device per year.

21 B. The license fee for any amusement device which is not operated or activated by the
22 insertion of a coin, ~~((of))~~ currency, token, credit card, debit card, or other payment medium
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1 shall be ~~Five ((One))~~ Hundred Dollars ~~(\$500.00) (((\$100.00)))~~ per year, except the license for a
2 pool table or billiard table shall not exceed One Hundred Dollars (\$100.00) per year.

3 Section 9. Section 5.32.200 of the Seattle Municipal Code (Ordinance 106024, § 2.700, as
4 last amended by Ordinance 110579 § 2) is further amended to read as follows:

5 **5.32.200 Unlawful acts.**

6 A. It is unlawful for any owner, operator, manager or other person in charge of any place
7 or location to permit or allow to be used or played in such place any amusement device not
8 having attached thereto an amusement device license.

9 B. It is unlawful for the owner of any amusement device to fail to display his or her
10 ((his/her)) name and current address on each amusement device when in use or play or
11 available for use or play.

12 C. It is unlawful for the owner, operator, manager, or other person in charge of any place
13 or location to permit or allow to be used or played in such place any amusement device not
14 having attached thereto the name and current address of the owner of the amusement device.

15 D. Remedial action by the City may include fines and imprisonment as provided for in
16 Section 5.32.130.

17 Section 10. The provisions of this ordinance are declared to be separate and severable.
18 The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this
19 ordinance, or the invalidity of the application thereof to any person or circumstance shall not
20 affect the validity of the remainder of this ordinance, or the validity of its application to other
21 persons or circumstances.

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1 Section 11. This ordinance shall take effect and be in force thirty (30) days from and
2 after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10)
3 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

4 PASSED by the City Council of the City of Seattle this _____ day of
5 _____, 1996, and signed by me in open session in authentication of its passage this
6 _____ day of _____, 1996.

7 _____
8 President _____ of the City Council

9 Approved by me this _____ day of _____, 1996.

10 _____
11 Mayor

12 Filed by me this _____ day of _____, 1996.

13 _____
14 City Clerk

15 (Seal)
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City of Seattle

**Department
of Finance**

Dwight D. Dively
Director of Finance

Norman B. Rice
Mayor

September 9, 1996

The Honorable Jan Drago
President, Seattle City Council
600 Fourth Avenue, 11th Floor
Seattle, Washington 98104

Via: Mayor's Office

Attention: Tom Tierney, Director, Office of Management and Planning

Subject: Rewrite of Chapter 5.32 Revenue License Code

Dear Councilmember Drago:

The attached ordinance amends Chapter 5 of the Seattle Municipal Code. It continues the ongoing efforts of the Finance and Law Departments to clarify the City's tax and license codes.

This ordinance is part of a set of four ordinances that make related changes to SMC Chapter 5. The attached ordinance covers Chapter 5.32, which outlines the City's general revenue license provisions. The other three ordinances cover Chapter 5.44 (business licenses and B&O taxes), Chapter 5.48 (utility taxes), and Chapter 5.52 (gambling taxes). Since many of the proposed changes are inter-related, we request that all four ordinances be considered together.

Summary

The attached ordinance extensively rewrites Chapter 5.32, Revenue License Code. The rewrite has three purposes:

1. To update definitions to reflect current practices.
2. To increase the incentive to obtain licenses and make payments in a timely manner by updating old penalties that are inconsistent with recent Council actions to encourage prompt collection of debts.
3. To update the amusement device license code to reflect the current amusement device environment, including new technologies. The revision extends the amusement device exemption to more machines (see 5.32.160 "Exemptions.") and increases the unit for calculating license fees from five cents of play to twenty-five cents of play (see 5.32.170 "License fees.").

Section Review

The following list outlines the nature and purpose of the proposed changes to each section of Chapter 5.32.

Subchapter I General Provisions

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5.32.020 Exercise of power to license for revenue.

New language has been added reiterating that it is the responsibility of the licensee to comply with the Municipal Code.

5.32.030 Definitions.

Several definitions have been added. No substantive changes result from these modifications.

5.32.050 License -- Not transferable or assignable -- Exceptions.

Subsection (A)(6) has been added, which allows for the administrator or executor of an estate to maintain the license in the event of the owner's death.

5.32.080 Payment of fees by NSF check.

The NSF check fee has been increased to \$20.

5.32.110 Computation of time.

Minor grammatical corrections have been corrected.

5.32.130 Penalties.

Penalties have been changed to be consistent with those in Chapter 5.44. In addition, language contained in section 5.44.310(B) "Violation -- Penalty." has been added clarifying that it is unlawful to operate a business without a license to do so.

Subchapter II Amusement Devices

This subchapter specifies licensing requirements and fees for a wide range of amusement device: including jukeboxes, pinball games, and pool tables.

5.32.160 Exemptions.

Minor changes were made to improve the language of the section. The minimum price for a device to require a license has been increased from the current five cents to the proposed twenty-five cents. Very few devices currently in use operate for less than twenty-five cents, and those which do are antiques and curiosities. This should not have an impact on revenue.

5.32.170 License fees.

Several significant changes have been proposed in this section.

1. The unit for determining the amount of license fee due has been increased from five cents to twenty-five cents.
2. The base for calculating the fee has been increased from twenty dollars per unit to fifty dollars per unit.
3. The maximum license fee has been increased from \$100 to \$1,500.

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4. The fee for devices which can be operated for multiple prices will be determined based upon the maximum charge for operating; e.g., a dart game playable for 25, 50¢, or \$1, would be licensed using \$1 as the base.
5. The license fee on a device not operated by a coin or other payment medium has been increased from \$100 to \$500; except the license fee for billiard table and pool table (which normally operate for 50¢) will be limited to \$100.

These changes have been proposed to respond to changes in the amusement game industry. The creation of virtual reality games has led to devices that cost far more to operate than the traditional jukebox or arcade game. The net effect of the proposed changes is that a twenty-five cent device which previously licensed for \$100 will now license for \$50. Conversely, a dollar device which previously licensed for \$100 will now license for \$200. A five dollar device that previously licensed for \$100 will now license for \$1,000. The overall effect on revenue should be about neutral. Revenue is likely to increase somewhat if virtual reality games are widely installed and are successful.

5.32.200 Unlawful acts.

Minor editorial changes have been made.

Thank you for your consideration of the proposed changes. Questions regarding this ordinance can be directed to Norma Bush at 233-0010.

Sincerely,


Dwight Dively
Finance Director

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City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

September 10, 1996

The Honorable Mark Sidran
City Attorney
City of Seattle

*9/16/96
OK as to
form only
AK*



Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING DEPARTMENT: Finance

SUBJECT: AN ORDINANCE relating to the revenue license code and amending Seattle Municipal Code Sections 5.32.020,030,.050,.080,.110,.130,.160,.170; and .200.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Leda Young at 233-7268.

Sincerely,

Norman B. Rice
Mayor

by

Leda Young for

TOM TIERNEY
Director

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Enclosure

COPY DESTROYED
22 SEP 10 AM 10:21
CITY ATTORNEY

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THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Martina Chae

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FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

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STATE OF WASHINGTON - KING COUNTY

75262
City of Seattle, City Clerk

—ss.

No. ORD IN FULL

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118411

was published on

12/19/96

The amount of the fee charged for the foregoing publication is the sum of \$ _____, which amount has been paid in full.

R. Randall
Subscribed and sworn to before me on

12/20/96

[Signature]
Notary Public for the State of Washington,
residing in Seattle

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