

ORDINANCE No.

120966

me

COUNCIL BILL No.

114349

The City

AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to preserve needed programs within the Revenue and Consumer Affairs Division of the Department of Executive Administration and amending Subsection A of Section 5.55.030 of the Seattle Municipal Code.

Honorable President:

Your Committee on

to which was referred the within Co report that we have considered the

COMPTROLLER FILE No.

Introduced: 10-14-02	By: Diago
Referred: 10-14-02	To: Budget
Referred:	To:
Referred:	To:
Reported: 11-12-02	Second Reading:
Third Reading: 11-12-02	Signed: 11-12-02
Presented to Mayor: 11-13-02	Approved: 11/18/02
Returned to City Clerk: 11/18/02	Published: After 3/18
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

11-7-02 Pass 1st
11-12-02 Passed

(E)

(E)

Law Department

The City of Seattle--Legislative Department

Date Reported
and Adopted

REPORT OF COMMITTEE

His President:

Committee on _____

was referred the within Council Bill No. _____

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

02 Pass As Amended 9-0

02 Passed 9-0

Department _____

Committee Chair

ORDINANCE

120966

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3 AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to
4 preserve needed programs within the Revenue and Consumer Affairs Division of the
5 Department of Executive Administration and amending Subsection A of Section 5.55.030
6 of the Seattle Municipal Code.

7 WHEREAS, the City of Seattle Consumer Affairs Program protects consumers by enforcing the
8 accuracy of advertising, unit pricing, weighing and measuring devices, price scanning
9 systems and package net contents; by investigating unit pricing issues and other consumer
10 complaints; and by providing training for businesses, and

11 WHEREAS, the City of Seattle Consumer Affairs Program protects businesses from unfair
12 competition by enforcing the accuracy of advertising, unit pricing, weighing and
13 measuring devices, price scanning systems and package net contents; by investigating
14 unit pricing issues and other consumer complaints; and by providing training for
15 businesses, and

16 WHEREAS, the City of Seattle Consumer Affairs Program is one of the premiere programs in
17 the nation; and

18 WHEREAS, the City of Seattle, because of budget considerations, intends to increasingly fund
19 the Consumer Affairs Program through fees; and

20 WHEREAS, the current fees that help support the Consumer Affairs Program do not cover the
21 cost of the Program; and

22 WHEREAS, it is the intention of the City to seek legislation to permit cities that operate their
23 own consumer affairs programs to establish fees to recover their costs; and

24 WHEREAS, it has been determined by the Seattle City Council that, until legislation is passed by
25 the State Legislature and the Governor to allow the City of Seattle to set fees to recover
26 Program costs, the gap in funding the Consumer Affairs Program should be borne by all
27 businesses by means of a surcharge on the annual business license; and

28 WHEREAS, it is the intention of the Seattle City Council to repeal this surcharge at such time as
fees can be adjusted to recover a greater portion of the costs of operating the Consumer
Affairs Program; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:



1 Section 1. Seattle Municipal Code Subsection A of Section 5.55.030 is amended to read
2 as follows:

3 **SMC 5.55.030 License Requirements.**

4 A. No person, unless specifically exempted, shall engage in any business activity,
5 profession, trade or occupation in the City without having first obtained and being the
6 holder of a valid and subsisting license to do so, to be known as a "business license."
7 The fee for the business license shall be Seventy-five Dollars (\$75.00) for persons
8 engaging in any business activity, profession, trade or occupation in the City prior to
9 July 1st and Thirty-seven Dollars and Fifty Cents (\$37.50) for persons beginning their
10 activity on or after July 1st. Effective January 1, 2003 a surcharge of five dollars (\$5)
11 will be added to the fee for a business license for persons engaging in any business
12 activity, profession, trade or occupation in the City prior to July 1st and a surcharge of
13 three dollars (\$3.00) will be added to the fee for a business license for persons
14 beginning their activity after June 30. The fee shall accompany the application for the
15 license.
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20 The business license shall expire at the end of the calendar year for which it is issued.
21 The business license shall be personal and nontransferable except as provided in
22 subsection G, below. Applications for the business license shall be made to the
23 Director ~~((of Finance))~~ on forms provided by the Director. Each business license shall
24 be numbered, shall show the name, place and character of the business of the licensee,
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1 and such other information as the Director deems necessary, and shall at all times be
2 conspicuously posted in the place of business for which it is issued.

3
4 If the licensee changes the place of business, the licensee shall return the business
5 license to the Director and a new license shall be issued for the new place of business
6 free of charge.
7

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

11
12 Passed by the City Council the 12th day of November 2002, and signed by me in open
13 session in authentication of its passage this 12th day of November, 2002.

14
15 
16 President _____ of the City Council

17 Approved by me this 18 day of November, 2002.

18 
19 Gregory J. Nickels, Mayor

20 Filed by me this 18th day of Nov., 2002.

21 
22 City Clerk

23 (Seal)
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Fiscal Note

Each piece of legislation that is financial in nature requires a fiscal note. The fiscal note should be drafted by department staff and should identify operating, capital, revenue, and FTE impacts of the legislation. After preparation by departmental staff, the Department of Finance (DOF) will review and make necessary revisions before transmittal to Council.

Department: Executive Administration	Contact Person/Phone: Mel McDonald/233-0071 Ben Noble/684-8160	DOF Analyst/Phone: Sherri Crawford/4-8075
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Legislation Title: AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to preserve needed programs within the Revenue and Consumer Affairs Division of the Department of Executive Administration and amending Subsection A of Section 5.55.030 of the Seattle Municipal Code.

Summary of the Legislation: The proposed Ordinance would establish a temporary \$5 surcharge on the existing \$75 annual business license fee, in order to enable the City to fund certain consumer affairs programs within the Revenue and Consumer Affairs (RCA) Division of the Department of Executive Administration. The \$5 surcharge on the business license fee would provide revenue of approximately \$266,000 to help fund these programs. Additional funds, to be raised by the establishment of fees for electronic pricing systems, are being proposed in an companion ordinance. Together these new funds will allow the RCA Division to continue to provide programs such as enforcement of false and misleading advertising provisions, unit pricing requirements, commodity packaging requirements, and price scanning procedures. The additional funding would also allow the Consumer Affairs Unit to investigate other consumer complaints within the city. This funding essentially allows Seattle City government to continue providing for an outstanding consumer affairs function.

In the long term, the City will use additional tax dollars received as the economy rebounds, and will seek authority from the State to set new fees, to cover the costs of these programs.

Background (Include justification for the legislation and funding history, if applicable):

Seattle's Consumer Affairs Programs are some of the most effective municipal consumer protection programs in the country. Seattle and Spokane are the only Washington cities that have their own weights and measures program. The City's program is broader (covering price scanners, unit pricing, and net package contents) and more thorough (greater inspection frequency) than the State's program. The programs costs approximately \$300,000 annually (after elimination of one position, as proposed in the 2003 budget), whereas the City currently recovers only \$50,000 in fees. The General Fund has made up this difference in the past. However, given the deep budget reductions required of the Department of Executive Administration, it will be necessary to eliminate the most of the Consumer Affairs Program in 2003 unless an alternative funding source is put in place.



Seattle residents may be unaware of the activities of the Consumer Affairs program, but all local consumers benefit from the City's aggressive enforcement of these programs. Businesses also benefit from this kind of regulation, as it provides a level playing field to protect them from unfair competition. While the State would be required, by law, to take over the inspection of most weighing and measuring devices if the City stopped providing this service, the State currently conducts inspections and investigates consumer complaints on a much less frequent basis than does Seattle. There are 10 inspectors to cover the entire State, so, for example, the State inspects gas pumps on a 6-8 year cycle, compared to annual inspections in Seattle. The Seattle program also provides inspection services that the State does not provide, and would not be required to take over. These include inspection of price scanners, unit price codes, and net contents of packages. Seattle's program is exemplary; our staff are national experts and provide training to other jurisdictions as well as conducting on-site compliance training for businesses.

The proposed 2003 budget would eliminate one of the four License and Standards Inspector positions that staffs the Consumer Affairs Programs. Approval of this proposed Business License Fee Surtax Ordinance, along with the companion Electronic Pricing System Fee Ordinance, will allow the City to retain the remaining three Inspector positions and to continue to operate an effective consumer affairs regulatory program.

As explained above, the long-term solution for funding this program is to obtain authority from the State to provide for fees at levels that will recover the cost of the regulatory services we provide. In the meantime, the gap in funding of the Consumer Affairs Program should be borne by all businesses by means of the proposed \$5 surcharge on the annual business license fee.

Public Private Partnership Review Status:

Is the project referenced in the legislation subject to P4 review? If yes, identify P4 review to date.

Not Applicable.

Is the legislation subject to public hearing requirements? If yes, what public hearings have been held to date?

No.

Fiscal Sustainability Issues (related to grant awards):

The proposed ordinance does not present fiscal sustainability issues, but rather addresses the fiscal sustainability of the City's enforcement of consumer affairs activities by providing an appropriate source of funding for this activity until other funding can be provided.



Estimated Expenditure Impacts:

FUND (List # and/or Account)	2002	2003	2004
TOTAL			

One-time \$ 0

On-going \$ 0

Estimated Revenue Impacts:

FUND (List # and/or Account)	2002	2003	2004
General Fund		266,000	266,000
TOTAL		\$266,000	\$266,000

One-time \$ _____

On-going \$ 266,000

Estimated FTE Impacts:

FUND (List # and/or Account)	2002	2003	2004
TOTAL			

Full Time 0

Part Time 0

TES 0

Do positions sunset in the future? If yes, identify sunset date? Not applicable.

Other Issues (including long-term implications of the legislation):





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 23, 2002

Honorable Peter Steinbrueck
President
Seattle City Council
Municipal Building, 11th Floor

Dear Council President Steinbrueck:

The attached ordinance establishes a temporary \$4.00 surcharge on Seattle's Business License fee in order to preserve the highly valued Consumer Affairs Program. The Program, which is considered to be one of the most effective municipal consumer protection programs in the country, utilizes inspectors to verify the accuracy of weighing and measuring devices, price scanning systems and the net contents of packaged products. Additionally, inspectors investigate unit pricing issues and other consumer complaints, and provide industry training on related issues. The Consumer Affairs Program greatly benefits consumers and provides a level playing field for local businesses by protecting them from unfair competition.

At the present time, State law places a cap on fees that cities can charge when providing these types of services. The Consumer Affairs Program receives about \$40,000 in inspection fees, in contrast to the approximate \$300,000 it costs to run the program on an annual basis. While we have made up this difference by using General Fund dollars in the past, our current budget situation will not allow this practice to continue. The attached Business License Fee Surcharge Ordinance, combined with its companion Electronic Price System Fee Ordinance, will provide a short-term funding solution by providing the Consumer Affairs Program with fee-based revenue.

In addition to reducing costs through the elimination of one inspector position in my proposed 2003 budget, I have directed my staff to immediately approach the State legislature for authorization to establish additional fees for the program. Once such authorization is granted, I will submit legislation for Council consideration that will raise the Consumer Affairs Program's fees to a level sufficient to fund the entire program. At the same time, I will propose that Council eliminate the temporary \$4 surcharge that we are establishing with this ordinance.

Thank you for your consideration of this legislation. Should you have questions, please contact Ken Nakatsu, Director of Executive Administration, at 684-0505, or Mel McDonald, Director of Revenue and Consumer Affairs, at 233-0071.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels".

GREG NICKELS
Mayor of Seattle

600 Fourth Avenue, 12th Floor, Seattle, WA 98104-1873

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E-mail: mayors.office@ci.seattle.wa.us

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ORDINANCE

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3 AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to
4 preserve needed programs within the Revenue and Consumer Affairs Division of the
5 Department of Executive Administration and amending Subsection A of Section 5.55.030
6 of the Seattle Municipal Code.

7 WHEREAS, the City of Seattle Consumer Affairs Program protects consumers by enforcing the
8 accuracy of advertising, unit pricing, weighing and measuring devices, price scanning
9 systems and package net contents; by investigating unit pricing issues and other
10 consumer complaints; and by providing training for businesses, and

11 WHEREAS, the City of Seattle Consumer Affairs Program protects businesses from unfair
12 competition by enforcing the accuracy of advertising, unit pricing, weighing and
13 measuring devices, price scanning systems and package net contents; by investigating
14 unit pricing issues and other consumer complaints; and by providing training for
15 businesses, and

16 WHEREAS, the City of Seattle Consumer Affairs Program is one of the premiere programs in
17 the nation; and

18 WHEREAS, the City of Seattle, because of budget considerations, intends to increasingly fund
19 the Consumer Affairs Program through fees; and

20 WHEREAS, the current fees that help support the Consumer Affairs Program do not cover the
21 cost of the Program; and

22 WHEREAS, it is the intention of the City to seek legislation to permit cities that operate their
23 own consumer affairs programs to establish fees to recover their costs; and

24 WHEREAS, it has been determined by the Seattle City Council that, until legislation is passed
25 by the State Legislature and the Governor to allow the City of Seattle to set fees to
26 recover Program costs, the gap in funding the Consumer Affairs Program should be borne
27 by all businesses by means of a surcharge on the annual business license; and

28 WHEREAS, it is the intention of the Seattle City Council to repeal this surcharge at such time as
fees can be adjusted to recover a greater portion of the costs of operating the Consumer
Affairs Program; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

1 Section 1. Seattle Municipal Code Subsection A of Section 5.55.030 is amended to read
2 as follows:

3 **SMC 5.55.030 License Requirements.**

4 A. No person, unless specifically exempted, shall engage in any business activity,
5 profession, trade or occupation in the City without having first obtained and being the
6 holder of a valid and subsisting license to do so, to be known as a "business license."

7
8 The fee for the business license shall be Seventy-five Dollars (\$75.00) for persons
9 engaging in any business activity, profession, trade or occupation in the City prior to
10 July 1st and Thirty-seven Dollars and Fifty Cents (\$37.50) for persons beginning their
11 activity on or after July 1st. Effective January 1, 2003 a surcharge of four dollars (\$4)
12 will be added to the fee for a business license for persons engaging in any business
13 activity, profession, trade or occupation in the City prior to July 1st and a surcharge of
14 two dollars (\$2) will be added to the fee for a business license for persons beginning
15 their activity after June 30. The fee shall accompany the application for the license.
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18 The business license shall expire at the end of the calendar year for which it is issued.

19 The business license shall be personal and nontransferable except as provided in
20 subsection G, below. Applications for the business license shall be made to the
21 Director ~~((of Finance))~~ on forms provided by the Director. Each business license shall
22 be numbered, shall show the name, place and character of the business of the licensee,
23 and such other information as the Director deems necessary, and shall at all times be
24 conspicuously posted in the place of business for which it is issued.
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If the licensee changes the place of business, the licensee shall return the business license to the Director and a new license shall be issued for the new place of business free of charge.

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

Passed by the City Council the ____ day of _____, 2002, and signed by me in open session in authentication of its passage this ____ day of _____, 2002.

President _____ of the City Council

Approved by me this ____ day of _____, 2002.

Gregory J. Nickels, Mayor

Filed by me this ____ day of _____, 2002.

City Clerk

(Seal)



Fiscal Note

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Department: Executive Administration	Contact Person/Phone: Mel McDonald/233-0071	DOF Analyst/Phone: Sherri Crawford/4-8075
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Legislation Title: AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to preserve needed programs within the Revenue and Consumer Affairs Division of the Department of Executive Administration and amending Subsection A of Section 5.55.030 of the Seattle Municipal Code.

Summary of the Legislation: The proposed Ordinance would establish a temporary \$4 surcharge on the existing \$75 annual business license fee, in order to enable the City to fund certain consumer affairs programs within the Revenue and Consumer Affairs (RCA) Division of the Department of Executive Administration. The \$4 surcharge on the business license fee would provide revenue of approximately \$216,000 to help fund these programs. Additional funds, to be raised by the establishment of fees for electronic pricing systems, are being proposed in an companion ordinance. Together these new funds will allow the RCA Division to continue to provide programs such as enforcement of false and misleading advertising provisions, unit pricing requirements, commodity packaging requirements, and price scanning procedures. The additional funding would also allow the Consumer Affairs Unit to investigate other consumer complaints within the city. This funding essentially allows Seattle City government to continue providing for an outstanding consumer affairs function.

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Seattle residents may be unaware of the activities of the Consumer Affairs program, but all local consumers benefit from the City's aggressive enforcement of these programs. Businesses also benefit from this kind of regulation, as it provides a level playing field to protect them from unfair competition. While the State would be required, by law, to take over the inspection of most weighing and measuring devices if the City stopped providing this service, the State currently conducts inspections and investigates consumer complaints on a much less frequent basis than does Seattle. There are 10 inspectors to cover the entire State, so, for example, the State inspects gas pumps on a 6-8 year cycle, compared to annual inspections in Seattle. The Seattle program also provides inspection services that the State does not provide, and would not be required to take over. These include inspection of price scanners, unit price codes, and net contents of packages. Seattle's program is exemplary; our staff are national experts and provide training to other jurisdictions as well as conducting on-site compliance training for businesses.

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As explained above, the long-term solution for funding this program is to obtain authority from the State to provide for fees at levels that will recover the cost of the regulatory services we provide. In the meantime, the gap in funding of the Consumer Affairs Program should be borne by all businesses by means of the proposed \$4 surcharge on the annual business license fee.

Public Private Partnership Review Status:

Is the project referenced in the legislation subject to P4 review? If yes, identify P4 review to date.

Not Applicable.

Is the legislation subject to public hearing requirements? If yes, what public hearings have been held to date?

No.

Fiscal Sustainability Issues (related to grant awards):

The proposed ordinance does not present fiscal sustainability issues, but rather addresses the fiscal sustainability of the City's enforcement of consumer affairs activities by providing an appropriate source of funding for this activity until other funding can be provided.



Estimated Expenditure Impacts:

FUND (List # and/or Account)	2002	2003	2004
TOTAL			

One-time \$ 0

On-going \$ 0

Estimated Revenue Impacts:

FUND (List # and/or Account)	2002	2003	2004
General Fund		216,000	216,000
TOTAL		\$216,000	\$216,000

One-time \$ _____

On-going \$ 216,000

Estimated FTE Impacts:

FUND (List # and/or Account)	2002	2003	2004
TOTAL			

Full Time 0

Part Time 0

TES 0

Do positions sunset in the future? If yes, identify sunset date? Not applicable.

Other Issues (including long-term implications of the legislation):



STATE OF WASHINGTON – KING COUNTY

--SS.

151867
City of Seattle, Clerk's Office

No. TITLE ONLY

Affidavit of Publication

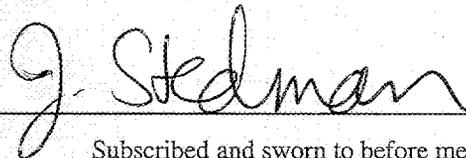
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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

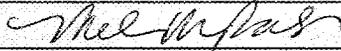
CTOT:ORDINANCE 120965-968

was published on

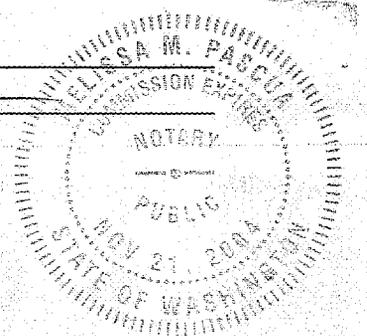
11/20/2002


Subscribed and sworn to before me on

11/20/2002


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle TITLE CITY PUBLICATION

The full text of the following ordinances, passed by the Council on November 12, 2002, and posted here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 854-4

ORDINANCE NO. 120965

AN ORDINANCE relating to the drainage and wastewater system of The City of Seattle, Washington; setting a system or plan of additions and improvements to and extensions of the drainage and wastewater system; authorizing the issuance and sale of drainage and wastewater revenue bonds for the purposes of paying part of the cost of carrying out that system or plan; providing a reserve and paying the cost of issuing and selling the bonds authorized herein; providing for the terms, conditions, covenants and manner of sale of those bonds; describing the lien of those

bonds and creating certain accounts of the City relating to those bonds.

ORDINANCE NO. 120966

AN ORDINANCE relating to the establishment of a surcharge on the Business License Fee to preserve needed programs within the Revenue and Consumer Affairs Division of the Department of Executive Administration and amending Subsection A of Section 5.55.030 of the Seattle Municipal Code.

ORDINANCE NO. 120967

AN ORDINANCE relating to land use and zoning, amending Section 23.49.008, 23.49.009, 23.49.011, 23.49.014, 23.49.025 and 23.49.058 to address lots zoned DOC1 and DMC, make revisions to regulations for achieving chargeable floor area and use of transfer of development rights and recognize the needs of museums as a part of mixed-use development in downtown.

ORDINANCE NO. 120968

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Publication ordered by JUDITH PIPPIN,
City Clerk.

Date of publication in the Seattle Daily
Journal of Commerce, November 25, 2002.

11/20(151867)