

Ordinance No. 120975

Council Bill No. 114345

# The City of Seattle Council Bill/Ordinance

AN ORDINANCE temporarily suspending the set-aside of certain Admissions Tax proceeds for arts purposes, amending Section 5.40.120 of the Seattle Municipal Code, and moving the assets and liabilities of the Arts Account to the General Subfund.

11-18-02 Budget

11-18-02 Passed

CF No. \_\_\_\_\_

Date Introduced: <u>10-14-02</u>		
Date 1st Referred: <u>10-14-02</u>	To: (committee) <u>Budget</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>11-18-02</u>	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor: <u>11-19-02</u>	Date Approved: <u>NOV 26 2002</u>	
Date Returned to City Clerk: <u>NOV 26 2002</u>	Date Published: <u>ZP</u>	T.O. _____ F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

This file is complete and ready

*Law Department*

Law Dept. Review

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: \_\_\_\_\_  
Councilmember

## Committee Action:

11-18-02 Budget Committee: Pass 9-0

11-18-02 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

Department

Law Dept. Review

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City Clerk  
Review

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ORDINANCE 120975

1  
2 AN ORDINANCE temporarily suspending the set-aside of certain Admissions Tax proceeds for  
3 arts purposes, amending Section 5.40.120 of the Seattle Municipal Code, and moving the  
4 assets and liabilities of the Arts Account to the General Subfund.

5 WHEREAS, on November 27, 2000, the City Council passed Ordinance 120183, which directed  
6 that a new account be created in the General Subfund of the General Fund for certain arts-  
7 related purposes, and that Section 5.40.120 of the Seattle Municipal Code be amended to  
8 require the deposit of twenty percent (20%) of all unrestricted admissions tax receipts into  
9 such account; and

10 WHEREAS, on November 26, 2001, the City Council passed Ordinance 120644, specifying that  
11 certain admission tax receipts shall not be deposited in the Arts Account; and

12 WHEREAS, as a result of the economic downturn and current financial situation in the City of  
13 Seattle, the Mayor and City Council now wish to temporarily reprogram these funds for  
14 other uses, NOW, THEREFORE,

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

16 Section 1. Effective January 1, 2003, Section 5.40.120 of the Seattle Municipal Code is  
17 amended as follows:

18 **SMC 5.40.120 Receipts to General Subfund and Arts Account.**

19 All receipts from the admission tax levied in this chapter shall be placed in the General  
20 Subfund of the General Fund, except that from and after January 1, ~~((2001))~~ 2005, twenty (20)  
21 percent of all admission tax receipts, other than receipts generated by men's professional  
22 basketball games ~~((and, during 2001, by men's professional football games, and men's  
23 professional baseball games))~~, shall be deposited into the Arts Account of the General Subfund  
24 of the General Fund. Money in the Arts Account of the General Subfund shall be annually  
25 appropriated to the Seattle Arts Commission for the following purposes:

26 A. Initiatives to keep artists living, working and creatively challenged in Seattle;  
27  
28



1 B. Initiatives to build community through the arts and create opportunities for the public  
2 to intersect with artists and their work; and

3 C. For each new generation, initiatives that include art opportunities for youth in and out  
4 of school.

5 Section 2. Effective January 1, 2003, all remaining assets and liabilities of the Arts  
6 Account established by Section 1 of Ordinance 120183 shall be transferred to the General  
7 Subfund and any remaining appropriation authority in the Arts Account is hereby abandoned.  
8

9 Section 3. Any action taken consistent with the authority and prior to the effective date of  
10 this ordinance is hereby ratified and confirmed.

11 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after  
12 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
13 after presentation, it shall take effect as provided by Section 1.04.020 of the Seattle Municipal  
14 Code.  
15

16 Passed by the City Council the 18<sup>th</sup> day of November, 2002, and signed by me in open  
17 session in authentication of its passage this 18<sup>th</sup> day of November, 2002.

18  
19 Peter Stamburk  
20 President \_\_\_\_\_ of the City Council

21 Approved by me this 25 day of November, 2002.

22 Gregory I. Nickels  
23 Gregory I. Nickels, Mayor

24 Filed by me this 27<sup>th</sup> day of November, 2002.

25 [Signature]  
26 \_\_\_\_\_  
27 City Clerk

28 (Seal)



**Fiscal Note**  
**Temporary Suspension of the Admission Tax Set-Aside for Arts**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Department of Finance	Helen Welborn 233-7884	Helen Welborn 233-7884

**Legislation Title:**

**AN ORDINANCE temporarily suspending the set-aside of certain Admissions Tax proceeds for arts purposes, amending Section 5.40.120 of the Seattle Municipal Code, and moving the assets and liabilities of the Arts Account to the General Subfund.**

**Summary of the Legislation:**

This legislation amends the Seattle Municipal Code to suspend the 20% set-aside of Admissions Tax revenues for arts purposes from January 1, 2003 until January 1, 2005. The legislation also transfers to the General Fund any assets and liabilities remaining in the Arts Account as of January 1, 2003.

**Appropriations (in \$1,000s):** This legislation does not appropriate funds. See the note below.

Fund Name and Number	Department	Budget Control Level*	2003	2004
See Note Below	N/A	N/A	N/A	N/A
<b>TOTAL</b>				

*\* This is line of business for operating budgets, and program or project for capital improvements*

**Notes:** This legislation does not appropriate funds. It temporarily suspends the existing 20% set-aside (appropriated through the annual budget process), and results in General Fund revenues being increased by that amount. In partial compensation for this reduction in funding, the Mayor's 2003-2004 Proposed Budget increases the Office of Arts & Cultural Affairs' General Fund appropriation by \$493,347 in 2003 and \$497,000 in 2004.

**Anticipated Revenue/Reimbursement (in \$1,000s): NA**

Fund Name and Number	Dept	Revenue Source	2002 Revenue*	2003 Revenue	2004 Revenue
General Subfund (00100)		20% of Admissions Tax	0	\$988,000	\$988,000
Arts Account Subfund(00140)		20% of Admissions Tax	\$958,000	0	0
<b>TOTAL</b>			<b>\$958,000</b>	<b>\$988,000</b>	<b>\$988,000</b>

**Notes:** \*The estimates in the table above are not new revenues, but reflect re-distribution of the Admission Tax. Because the assets and liabilities of the Arts Account transfer to the General



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Subfund on January 1, 2003 and excess or shortfall in Admissions Tax revenue compared to the adopted projection will accrue to the General Subfund.

**Total Permanent Positions Created Or Abrogated Through Legislation, Including FTE Impact:**  
NA

**Estimated FTE Impact for Temporary Positions: None**

Fund Name and Number	Department	Position Title*	2003 FTE	2004 FTE
NA	NA	NA	NA	NA
<b>TOTAL</b>				

\* List each position separately

**Do positions sunset in the future?** (If yes, identify sunset date):

NA

**Background** (Include brief description which states the purpose and context of legislation and include record of previous legislation and funding history, if applicable):



In November 2000, the City Council passed Ordinance 120183 authorizing the creation of a new account in the General Subfund for certain arts-related purposes and amending Section 5.40.120 of the Seattle Municipal Code to require the deposit of twenty percent (20%) of all unrestricted admissions tax receipts into such account effective January 1, 2001. The adopted budget for this set-aside revenue was \$1,032,000 in 2001 and is \$958,000 in 2002. These funds were appropriated to the Seattle Arts Commission (SAC) (part of the newly proposed Office of Arts & Cultural Affairs) as a supplement to its existing General Fund budget and "Percent for Art" revenue.

According to a recent report prepared by SAC staff, the Admissions Tax set-aside has been used to expand support for independent artists, arts organizations, out-of-school training for young people, community projects, and the Arts Resource Network (a web-based source of information and technical assistance relevant to the Seattle's arts environment).

Given the City's economic challenges, the Mayor proposes to temporarily suspend this set-aside (estimated at the time of the development of the budget to about \$988,000 in both 2003 and 2004) and reprogram these funds to higher priorities in the 2003-2004 Proposed Budget. In partial compensation for this reduction in funding, the Mayor's 2003-2004 Proposed Budget increases the Office of Arts & Cultural Affairs' General Fund appropriation by \$493,347 in 2003 and \$497,000 in 2004. Providing this funding through a direct appropriation is less administratively burdensome than providing the same amount of funding through a set-aside.

The legislation re-instates the Admissions Tax set-aside for arts purposes in the next biennium.

The programmatic changes reflecting the change in funding are described in the Mayor's 2003-2004 Proposed Budget for the Office of Arts & Cultural Affairs.

**The financial cost of not implementing the legislation** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented):

This action is necessary to balance the Mayor's 2003-2004 proposed budget.

**Possible alternatives to the legislation which could achieve the same or similar objectives** (Include any potential alternatives to the proposed legislation, including using an existing facility to fulfill the uses envisioned by the proposed project, adding components to or subtracting components from the total proposed project, contracting with an outside organization to provide the services the proposed project would fill, or other alternatives):

An alternative would be to reduce the amount of the existing set-aside for arts-related purposes so that the resulting dollar amount set-aside for arts purpose would equal approximately \$494,000 in 2003. The remaining set-aside (approximately \$494,000) would then be re-programmed to the General Subfund of the General Fund. This alternative is more administratively burdensome than the proposed approach.



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**Is the legislation subject to public hearing requirements** (If yes, what public hearings have been held to date):

No.

**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, 11<sup>th</sup> Floor

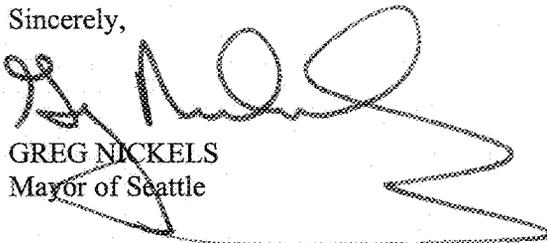
Dear Council President Steinbrueck:

The attached ordinance temporarily suspends the set-aside of certain Admission Tax proceeds for arts-related purposes, from January 1, 2003 to December 31, 2004. It also amends Section 5.40.120 of the Seattle Municipal Code, and moves the assets and liabilities of the Arts Account to the General Subfund. The actions proposed in this ordinance, which respond to the difficult economic conditions our city now faces, allow greater flexibility in funding other critical programs and projects.

Clearly, the infusion of funding from the Admission Tax has allowed the City to enhance its support of local artists and arts organizations in recent years. Recognizing the value of this, I have proposed adding \$493,347 of General Fund support in 2003, and \$497,000 in 2004, to the Office of Arts and Cultural Affairs' Proposed Budget to preserve some of the momentum that the Admission Tax set-aside began.

I appreciate your consideration of this legislation in this difficult economic time. Should you have questions please contact Helen Welborn at 223-7884.

Sincerely,



GREG NICKELS  
Mayor of Seattle

600 Fourth Avenue, 12<sup>th</sup> 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](mailto:mayors.office@ci.seattle.wa.us)

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STATE OF WASHINGTON – KING COUNTY

--SS.

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152195  
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

**Affidavit of Publication**

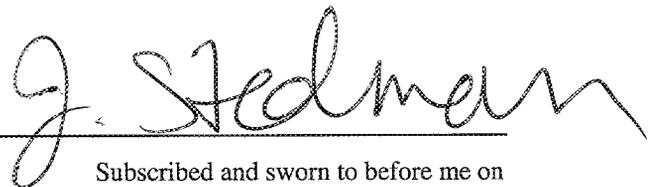
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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 12<sup>th</sup> 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

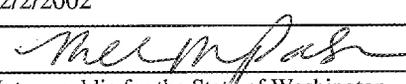
CT:ORDINANCE 120975

was published on

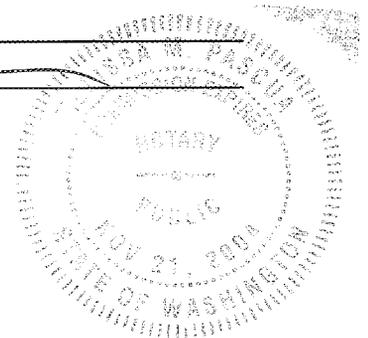
11/29/2002

  
Subscribed and sworn to before me on

12/2/2002

  
Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication



# State of Washington, King County

## City of Seattle

### ORDINANCE 120075

AN ORDINANCE temporarily suspending the set-aside of certain Admissions Tax proceeds for art purposes, amending Section 5.40.120 of the Seattle Municipal Code, and moving the assets and liabilities of the Arts Account to the General Subfund.

WHEREAS, on November 27, 2000, the City Council passed Ordinance 120183, which directed that a new account be created in the General Subfund of the General Fund for certain arts-related purposes, and that Section 5.40.120 of the Seattle Municipal Code be amended to require the deposit of twenty percent (20%) of all unrestricted admissions tax receipts into such account; and

WHEREAS, on November 26, 2001, the City Council passed Ordinance 120644, specifying that certain admission tax receipts shall not be deposited in the Arts Account; and

WHEREAS, as a result of the economic downturn and current financial situation in the City of Seattle, the Mayor and City Council now wish to temporarily reprogram these funds for other uses, NOW, THEREFORE,

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

Section 1. Effective January 1, 2003, Section 5.40.120 of the Seattle Municipal Code is amended as follows:

#### SMC 5.40.120 Receipts to General Subfund and Arts Account.

All receipts from the admission tax levied in this chapter shall be placed in the General Subfund of the General Fund, except that from and after January 1, ~~(2004)~~ 2005, twenty (20) percent of all admission tax receipts, other than receipts generated by men's professional basketball games ~~(and during 2004, by men's professional football games, and men's professional basketball games)~~, shall be deposited into the Arts Account of the General Subfund of the General Fund. Money in the Arts Account of the General Subfund shall be annually appropriated to the Seattle Arts Commission for the following purposes:

- A. Initiatives to keep artists living, working and creatively challenged in Seattle;
- B. Initiatives to build community through the arts and create opportunities for the public to intersect with artists and their work; and
- C. For each new generation, initiatives that include art opportunities for youth in and out of school.

Section 2. Effective January 1, 2003, all remaining assets and liabilities of the Arts Account established by Section 1 of Ordinance 120183 shall be transferred to the General Subfund and any remaining appropriation authority in the Arts Account is hereby abandoned.

Section 3. Any action taken consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 4. 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 Section 1.04.020 of the Seattle Municipal Code.

Passed by the City Council the 18th day of November, 2002, and signed by me in open session in authentication of its passage this 18th day of November, 2002.

PETER STEINBRUECK,

President of the City Council.

Approved by me this 25th day of November, 2002.

GREGORY J. NICKELS,