Ordinance No. 123461

Council Bill No. 117043

AN ORDINANCE related to cable television, modifying cable television franchise fees, and superseding franchise fees for cable operators imposed by prior ordinance.

Related Legislation File:

Date Introduced and Referred:	To: (committee):
Nov. 8, 2010	Budget
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: 11.22.10	Date Presented to Mayor: 11.23.10
Date Signed by Mayor: Dec. 2, 2010	Date Returned to City Clerk: Dec. 2, 2010
Published by Title Only Published in Full Text ✓	Date Vetoed by Mayor:
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Godden

Committee Action:

Date	Recommendation	Vote
11.12.10	Pass	9-0

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date	Decision	Vote
11.22.10	Passed	9.0

Martha Lester
LEG Cable franchise fee rate ORD
11/2/10 v#4

ORDINANCE 123461

AN ORDINANCE related to cable television, modifying cable television franchise fees, and superseding franchise fees for cable operators imposed by prior ordinance.

WHEREAS, cable television companies operate within the city of Seattle under cable franchise agreements; and

WHEREAS, pursuant to 47 U.S.C. Sec. 622, the City of Seattle is entitled to charge cable television franchise operators a "Franchise Fee" for the privilege of constructing and/or operating a Cable Communications System pursuant to a franchise agreement; and

WHEREAS, the City is presently authorized to charge a franchise fee of up to 5 percent of the franchisee's gross revenues; and

WHEREAS, the existing franchise fee charged by the City to all cable franchise operators is 4.2 percent of gross revenues, as established in Ordinance 122087, passed May 1, 2006; and

WHEREAS, the City has determined that it is prudent and reasonable to increase the franchise fee; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The franchise fee chargeable to cable television operators is 4.4 percent of gross revenues.

Section 2. This ordinance supersedes franchise fees for cable television operators imposed by prior ordinance.

2010 CITY CLERK

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

Passed by the City Council the 22 day of November, 2010, and signed by me in open session in authentication of its passage this 22 day of November, 2010.

President _____ of the City Council

Approved by me this 2ND day of December, 2010.

Michael McGinn, Mayor

Filed by me this 2nd day of December, 2010.

City Clerk

(Seal)

DIS CITY CLERK

Form revised April 10, 2010

2011-2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Martha Lester / 684-8149	NA

Legislation Title:
AN ORDINANCE related to cable television, modifying cable television franchise fees, and superseding franchise fees for cable operators imposed by prior ordinance.

- Summary of the Legislation: This ordinance increases the cable franchise fee to 4.4 percent

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

  The existing franchise fee for cable television companies that operate within the city of Seattle is 4.2 percent of gross revenues. This ordinance increases the franchise fee by 0.2 percent, to 4.4 percent. This would result in an increase of about $2.04 per year for an "average" customer whose monthly bill is $75.

  The franchise fee was last raised (from 3.5 percent to 4.2 percent) in 2006 (for Comcast) and in 2007 (for Millennium / Broadstripe). The maximum allowable franchise fee is 5.0 percent.

- *Please check one of the following*:

____ This legislation does not have any financial implications. (*Stop here and delete the remainder of this document prior to saving and printing.)*

__X__ This legislation has financial implications. *Please complete all relevant sections that follow.*

Summary of Changes to Revenue Generated Specifically From This Legislation: *For budget legislation that changes revenue (e.g., fees, taxes, etc.), please provide detail on each revenue-producing item that is being changed, when it was last changed, and how the item's new overall cost compares with similar costs charged elsewhere in the region.*

	Revenue Source	2011 Proposed	2012 Proposed
	Cable franchise fees	$320,000	$320,000
Total Fees and Charges Resulting From Passage of This Ordinance		$320,000	$320,000

(If new revenue is for a partial year, provide estimate for full year in the notes section below; also include the effect on the average customer, user or payer.)

Notes:

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Anticipated Total Revenue from Entire Program, Including Changes Resulting From This Legislation:

Fund Name and Number	Revenue Source	Total 2011 Revenue	Total 2011 and 2012 Anticipated Revenue from Entire Program
Cable Television Franchise Subfund 00160	Cable franchise fees	$6,986,901	$14,040,471
TOTAL			

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

  Without the additional revenue from this fee increase, the City would not be able to fund some programs at the desired level, or would need to increase revenue from another source.

- Does this legislation affect any departments besides the originating department? • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc)., and indicate which staff members in the other department(s) are aware of this Bill.*

  The Department of Information Technology's Office of Cable Communications is affected because it administers the City's contracts with cable providers.

- What are the possible alternatives to the legislation that could achieve the same or similar objectives? *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

  Increasing the franchise fee can be done only by ordinance.

- Is the legislation subject to public hearing requirements? *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future?)*

  No.

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

Please list attachments to the fiscal note below:

DIS CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--ss.

264504 No.
CITY OF SEATTLE,CLERKS OFFICE

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:123461 ORDINANCE

was published on

12/16/10

The amount of the fee charged for the foregoing publication is the sum of $ 88.73, which amount has been paid in full.

JENNIFER A. PATZER
COMMISSION EXPIRES
NOTARY
PUBLIC
OCT. 24, 2011
STATE OF WASHINGTON

Subscribed and sworn to before me on

12/16/10

Notary public for the State of Washington
residing in Seattle

State of Washington, King County

City of Seattle

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Richard Conlin

President of the City Council

Approved by me this 2nd day of December, 2010.

Michael McGinn, Mayor

Filed by me this 2nd day of December, 2010.

(Seal) Monica Martinez-Simmons

City Clerk

Publication ordered by the City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 16, 2010.

12/16(264504)