SEATTLE CITY COUNCIL

Legislative Summary

CB 118537

Record No.: CB 118537 **Type:** Ordinance (Ord) **Status:** Passed

124912

Version: 1 **In Control:** City Clerk

File Created: 09/23/2015

Final Action: 12/01/2015

Title: AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

Notes:

Sponsors: Licata

Attachments:

Drafter: adam.schaefer@seattle.gov

	Date
Filed with City Clerk:	
Mayor's Signature:	
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: ☐ Yes ☐ No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/28/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	10/20/2015	sent for review	Budget Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Budget Committee						
	Notes:						
1	Full Council	10/26/2015	referred	Budget Committee			
	Action Text: The Council Bill (CB) was referred. to the Budget Committee						
	Notes:						
1	Budget Committee	11/16/2015	pass				Pass
	Action Text: The Committee recommends that Full Council pass the Council Bill (CB).						
	Notes:						

In Favor: 7 Chair Licata, Member Bagshaw, Member Burgess, Member Godden, Member O'Brien, Member Rasmussen, Member Sawant

Opposed: 0

Absent(NV): 1 Okamoto

1	Full Council	11/23/2015	passed		Pass

Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:

Notes:

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

1	City Clerk	11/30/2015	submitted for Mayor's signature	Mayor

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor

Notes:

1	Mayor	12/01/2015	Signed

Action Text: The Council Bill (CB) was Signed.

Notes:

1	Mayor	12/01/2015	returned	City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

1	City Clerk	12/01/2015	attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

CITY OF SEATTLE

ORDINANCE 124912

COUNCIL BILL 118537

AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility tax on the conduct, maintenance, and operation of drainage and wastewater systems; and

WHEREAS, Section 5.48.050 currently excludes drainage and wastewater systems not operated by The City of Seattle from this utility tax; and

WHEREAS, the City finds that these taxes should also apply to drainage and wastewater utilities operated by port districts within the City; and

WHEREAS, such a change in the application of drainage and wastewater system utility taxes will not itself increase the costs to municipal ratepayers because adopted rates are inclusive of all taxes, and there will be no change in rates attributable to the application of taxes authorized in this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.48.050 of the Seattle Municipal Code, last amended by Ordinance 122916, is amended as follows:

5.48.050 Occupations subject to tax—Amount((.))

There are levied upon, and shall be collected from everyone, including ((t))The City of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

A. Upon everyone engaged in or carrying on a telecommunications service or telephone business, a fee or tax equal to six (((~~6~~))) percent of the total gross income from such business provided to customers within the City. The tax liability imposed under this ((~~section~~)) Section 5.48.050 shall not apply for that portion of gross income derived from charges to another telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or charges for, interstate services, or charges for telecommunication service or telephone business that is purchased for the purpose of resale. (Such charges, except for interstate service, shall be taxed under ((~~SMC~~)) Chapter 5.45.) The total gross income shall also include all charges by the provider of cellular or cellular mobile telephone services provided to its customers in any taxing jurisdiction (intrastate or interstate), which are billed to a "place of primary use" located in Seattle by or for the home service provider, irrespective of whether the services are provided by the home service provider.

B. Upon everyone engaged in or carrying on the business of selling, brokering, or furnishing gas for hire, a fee or tax equal to six (((~~6~~))) percent of the total gross income from such business in the City.

C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing water for hire to consumers, a fee or tax equal to the total gross income from such retail business in the City multiplied by the following rates:

Effective through March 30, 2009, a rate of ((~~fifteen and fifty-four one hundredths (~~))15.54((~~)~~)) percent;

Effective March 31, 2009 through December 31, 2010, a rate of ((~~nineteen and eighty-seven one hundredths (~~))19.87((~~)~~)) percent; and

Effective January 1, 2011, a rate of ((~~fifteen and fifty-four one hundredths (~~))15.54((~~)~~)) percent; Provided that as to The City of Seattle in the conduct of its municipal water utility, such tax shall be applicable to the business of such utility done without, as well as within, the City.

D. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing electric light and power to consumers, a fee or tax equal to six (((~~6~~))) percent of the total gross income from such business in the City. The fee or tax imposed upon the municipal light and power system of the City shall be applicable to the business of such system both within and without the City.

E. Upon everyone conducting or engaged in the business of supplying steam heat or power to consumers, a fee or tax equal to six (((~~6~~))) percent of the total gross income from such business in the City.

F. Upon The City of Seattle and any port district, in respect to the conduct, maintenance, and operation of a ((~~its municipal~~)) drainage system as a public utility, a fee or tax equal to ((~~eleven and one-half (~~))11.5((~~)~~)) percent of the total gross income from ((~~the~~)) drainage charges ((~~provided for under City ordinances~~)). For purposes of this Section 5.48.050, "drainage charges" means, for The City of Seattle, the drainage charges provided for under City ordinances; and for any port district, the gross income from the conduct, maintenance, and operation of a drainage system as a public utility in the City.

G. Upon The City of Seattle and any port district, in respect to the conduct, maintenance, and operation of a ((~~its municipal~~)) wastewater system as a public utility, a fee or tax equal to ((~~twelve (~~))12((~~)~~)) percent of the total gross income from ((~~the~~)) wastewater charges ((~~provided for under City ordinances~~)). For purposes of this section 5.48.050, "wastewater charges" means, for The City of Seattle, the wastewater charges provided for under City ordinances; and for any

port district, the gross income from the conduct, maintenance, and operation of a wastewater system as a public utility in the City.

H. As to solid waste, see Section 5.48.055.

I. Upon everyone engaged in the business of operating or conducting a cable television system (CATV), a fee or tax equal to ten (((~~10~~))) percent of the total gross income from gross subscriber revenues. For purposes of this ((~~chapter~~)) Chapter 5.48, "gross subscriber revenues" means and includes those revenues derived from the supplying of subscription service, that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits including the transmission of broadcast signals, and access and origination channels and per-program or per-channel charges; ((~~provided~~)) however, the tax liability imposed under this ((~~section~~)) Section 5.48.050 shall not include leased channel revenue, advertising revenues, or any other income derived from the system, which shall be taxed under ((~~SMC~~)) Chapter 5.45. The business of operating or conducting a cable television system (CATV) does not include the provision of interactive two-way communications over cable. Such activities shall be reported under the telecommunication service or telephone business classification.

Section 2. This ordinance shall take effect and be in force 30 days 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 23rd day of Nov., 2015, and signed by me in open session in authentication of its passage this 23rd day of Nov., 2015.

President _____ of the City Council

Approved by me this 1st day of December, 2015.

Edward B. Murray, Mayor

Filed by me this 1st day of December, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

STATE OF WASHINGTON -- KING COUNTY

--ss.

331451

No. 124908,909,910,911,912,13

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:TITLE ONLY ORDINANCES

was published on

12/15/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

MELISSA M. DOWD
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES
11-21-19

Subscribed and sworn to before me on

12/15/2015

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 23, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar. Document Type Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124906

AN ORDINANCE relating to the annual budget of the Office of Arts and Culture; amending Section 5.40.120 of the Seattle Municipal Code.

Ordinance 124908

AN ORDINANCE relating to the Central Waterfront Project, authorizing amendment of the "Memorandum of Understanding Concerning Renovation and Expansion of the Seattle Aquarium and Development of the Central Waterfront" between The City of Seattle and the Seattle Aquarium Society.

Ordinance 124909

AN ORDINANCE relating to the Smith Cove project in the Department of Parks and Recreation; and authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of $560,000, to the Parks Capital Fund for bridge financing of the Smith Cove project.

Ordinance 124910

AN ORDINANCE related to ending the square footage business tax for periods after December 31, 2015; and amending Section 5.46.030 of the Seattle Municipal Code.

Ordinance 124911

AN ORDINANCE relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

Ordinance 124912

AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

Ordinance 124913

AN ORDINANCE relating to the solid waste system of The City of Seattle; adopting a system or plan of additions and betterments to and extensions of the solid waste system; authorizing the issuance and sale of solid waste system revenue bonds, in one or more series, for the purposes of paying part of the cost of carrying out that system or plan, providing for the reserve requirement and paying the costs of issuance of the bonds; providing for certain terms, conditions, covenants and the manner of sale of the bonds; describing the lien of the bonds; creating certain accounts of the City relating to the bonds; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, December 15, 2015.

12/15(381451)