BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Office of Policy and Innovation	David B. Mendoza 386-1256	Robert Feldstein 386-1320

1. BILL SUMMARY

Legislation Title: AN ORDINANCE related to business licenses; amending Sections 5.30.030, 5.30.060, 5.32.150, 5.40.060, 5.40.080, 5.40.085, 5.45.110, 5.55.030, 5.55.040, 5.55.220, and 5.55.230 of the Seattle Municipal Code; and adding a new Section 5.55.238 to the Seattle Municipal Code.

Summary and background of the Legislation: This ordinance creates clear authority for the Director of Finance & Administration (FAS) to deny applications for or revoke business licenses of businesses that are operating in violation of the law or are required to have a regulatory business license and do have one or do not qualify for one.

The proposed ordinance is constructed not as a way to regulate the operations of businesses utilizing our standard business license. Instead, it is a way to ensure that when other departments identify a business as operating in violation of the law, the Director of FAS can ensure the City of Seattle is not sanctioning such operations by issuing a business license. In addition, the ordinance holds businesses accountable to acquire needed regulatory business licenses to ensure those businesses are not operating in violation of the law.

2. CAPITAL IMPROVEMENT PROGRAM

___ **This legislation creates, funds, or amends a CIP Project.**

3. SUMMARY OF FINANCIAL IMPLICATIONS

_X_ **This legislation has direct financial implications.**

The financial implications from this legislation are detailed in the Bill Summary & Fiscal Note for the companion Council Bill to create Chapter 6.500.

Budget program(s) affected:				
Estimated $ Appropriation change:	**General Fund $**		**Other $**	
	2015	**2016**	**2015**	**2016**
	$0	**$0**	**$0**	**$0**
Estimated $ Revenue change:	**Revenue to General Fund**		**Revenue to Other Funds**	
	2015	**2016**	**2015**	**2016**
	$0	**$0**	**$0**	**$0**
Positions affected:	**No. of Positions**		**Total FTE Change**	
	2015	**2016**	**2015**	**2016**

	0	**0**	**0**	**0**
Other departments affected:				

3.a. Appropriations

____ **This legislation adds, changes, or deletes appropriations.**

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

Appropriations Notes:

To implement this Ordinance, the FAS and DPD Departments will need additional resources for enforcement in 2015. Appropriations from this Council Bill and the Resolution concerning the creation of enforcement priorities regarding non-state licensed marijuana establishments are included in the Fiscal Note for the accompanying Council Bill to create a new Chapter 6.500 of the Seattle Municipal Code.

If needed, additional resources for on-going compliance efforts will be requested as part of the 2016 Budget process.

3.b. Revenues/Reimbursements

____ **This legislation adds, changes, or deletes revenues or reimbursements.**

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes:

None

3.c. Positions

____ **This legislation adds, changes, or deletes positions.**

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

Position Notes:

Position additions from this Council Bill and the Resolution concerning the creation of enforcement priorities regarding non-state licensed marijuana establishments are included in the Fiscal Note in the accompanying Council Bill to create a new Chapter 6.500 of the Seattle Municipal Code.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

This legislation will require some changes to be made to the Title 5 application process and forms. However, these costs are expected to be minimal.

b) Is there financial cost or other impacts of not implementing the legislation?

Aside from police response to burglaries, robberies and other associated public safety issues that have been related to unregulated marijuana businesses it is unclear what the direct cost is to the City of Seattle. However, communities are concerned about rise in property crime surrounding some marijuana businesses and how the impact of 3-4 businesses in the same building or block have been changing the character of their neighborhoods. Also, there has been an attendant rise in the marijuana confiscations at Seattle Public Schools which reports that 77% of all drug/alcohol disciplinary actions are now marijuana related.

Finally, by allowing unregulated, untaxed marijuana businesses to continue unabated the City will lose the potential revenue to be gained from the legal marijuana businesses which acquire business licenses and pay B&O and Sales taxes.

c) Does this legislation affect any departments besides the originating department?

This legislation adds to the duties of the Department of Finance and Administration.

d) Is a public hearing required for this legislation?
No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.

f) Does this legislation affect a piece of property?
No.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
N/A.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.
N/A.

i) Other Issues:

j) List attachments below: