

Ordinance No. 120647

Council Bill No. 113890

The City of Seattle
Council Bill/Ordinance

AN ORDINANCE relating to decreasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

11-16-01 Pass

CF No. _____

11-26-01 Pass

Date Introduced:	OCT 3 2001	
Date 1st Referred:	OCT 5 2001	To: (committee) BUDGET
Date Re - Referred:		To: (committee)
Date Re - Referred:		To: (committee)
Date of Final Passage:	11-26-01	Full Council Vote: 9-0
Date Presented to Mayor:	11-26-01	Date Approved: 11/30/01
Date Returned to City Clerk:	12/3/01	Date Published: 2pg. T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Voted by Mayor:		Date Veto Published:
Date Passed Over Veto:		Veto Sustained:

This file is complete and ready

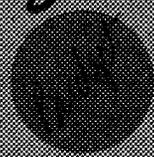
Law Department

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Jan Perry
Councilmember



Committee Action:

11-16-01 Pass 9-0

11-26-01 Passed 9-0

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

(initial/date)

Law Department

Law Dept. Review

OMP
Review

(W)
City Clerk
Review

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ORDINANCE 120647

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4 AN ORDINANCE relating to decreasing the utility business tax on the business of selling or
5 furnishing water; and amending Seattle Municipal Code Section 5.48.050.
6

7 WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility business tax on
8 the selling or furnishing of water for hire; and
9

10 WHEREAS, Seattle Public Utilities has worked for many years with the City of Tacoma and
11 certain other utilities to develop the Second Supply Project, which would allow water
12 from Tacoma's second water right on the Green River to be brought to Seattle's
13 Cedar River water supply system; and
14

15 WHEREAS, Ordinance 119860 increased the rate of the utility business tax on the selling or
16 furnishing of water for hire from ten percent (10%) to ten and one-tenth percent
17 (10.1%) in anticipation of increased indirect administrative overhead costs to be
18 incurred by the City's General Fund in connection with the Second Supply Project;
19 and
20

21 WHEREAS, with the passage of Ordinance 120150, the Mayor and City Council authorized
22 execution of an agreement providing for the joint development of the proposed
23 Second Supply Project with the City of Tacoma and certain other utilities; and
24

25 WHEREAS, the City of Seattle now finds that administrative overhead costs incurred in
26 connection with participation in the Second Supply Project have been reduced and
27 that the tax increase approved in Ordinance 119860 is no longer required to meet such
28 costs; **NOW THEREFORE,**
29

30 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**
31

32 Section 1. Effective October 1, 2001, Subsection C of Section 5.48.050 of the Seattle
33 Municipal Code is hereby amended as follows:
34

35 **5.48.050 Occupations subject to tax -- Amount.**

36 There are levied upon, and shall be collected from everyone, including The City of Seattle,
37 on account of certain business activities engaged in or carried on, annual license fees or



1 occupation taxes in the amount to be determined by the application of rates given against
2 gross income as follows:

3 * * *

4 C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of
5 selling or furnishing water for hire, a fee or tax equal to ~~((ten and one-tenth percent~~
6 ~~(10.1%)))~~ ten percent (10%) of the total gross income from such retail business in the City;
7 provided that as to The City of Seattle in the conduct of its municipal water utility, such tax
8 shall be applicable to the business of such utility done without, as well as within, the City.

9
10 * * *

11 Section 2. Any act consistent with the authority and prior to the effective date of this
12 ordinance is hereby ratified and confirmed.



1
2 Section 3. This ordinance shall take effect and be in force thirty (30) days from and
3 after its approval by the Mayor, but if not approved and returned by the Mayor within ten
4 (10) days after presentation, it shall take effect as provided by Municipal Code Section
5 1.04.020.
6

7 Passed by the City Council the 26th day of November, 2001, and signed
8 by me in open session in authentication of its passage this 26th day of November,
9 2001.

10 Margaret Peyer
11 President of the City Council
12

13 Approved by me this 30th day of NOVEMBER, 2001.

14 Paul Schell
15 Paul Schell, Mayor
16

17
18 Filed by me this 3rd day of December, 2001.

19 Justin E. Lippin
20 City Clerk
21

22 (SEAL)



MEMORANDUM

DATE: September 24, 2001

TO: The Honorable Margaret Pageler, President
Seattle City Council

FROM: Joan Walters, Director
City Budget Office

SUBJECT: AN ORDINANCE relating to decreasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

The attached ordinance amends Seattle Municipal Code Section 5.48.050 to reduce the water business utility tax from 10.1% to 10%. This revision is consistent with the revenue and expenditure projections contained in the 2002 Proposed Budget.

Two years ago, the Seattle City Council increased the water business utility tax to pay for increased general government administrative costs that resulted from participation in the Tacoma Second Supply Project. These costs have now been reduced, and the tax increase is no longer required.

We appreciate your consideration of this ordinance, and invite you to call Cameron Keyes at 684-8048 if you have additional questions or require further information. Thank you.

cc: Cameron Keyes



Legislation Fiscal Note

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

Department: Dept. of Finance	Contact Person/Phone: Cameron Keyes 4-8048	CBO Analyst/Phone: Cameron Keyes 4-8048
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Legislation Title: AN ORDINANCE relating to decreasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

Summary of the Legislation:

This ordinance reduces the utility business tax on water from 10.1% to 10%.

Background:

Two years ago, the utility business tax on water was increased from 10% to 10.1% to pay for increased general government administrative costs caused by participation in the Tacoma Second Supply projects. These administrative costs have subsequently been reduced, so the increased tax rate is no longer necessary.

Sustainability Issues (related to grant awards): N/A

Estimated Expenditure Impacts:

FUND	2000	2001	2002
Water Fund	\$0	\$ - 16,430	\$ - 80,240
TOTAL	\$0	\$ - 16,430	\$ - 80,240

On-going The water fund would continue to pay taxes each year in the future at the new tax rate. Tax payments at the 10% level were assumed in the 2002 Proposed Budget.

Estimated Revenue Impacts:

FUND	2000	2001	2002
General Fund	\$0	\$ - 16,430	\$ - 80,240
TOTAL	\$0	\$ - 16,430	\$ - 80,240

On-going The General Fund would continue to receive slightly lower tax receipts from the water utility business each year in the future.



Estimated FTE Impacts:

FUND	1999	2000	2001
	NA	NA	NA
TOTAL			

Full Time _____ # Part Time _____ # TES _____

Do positions sunset in the future? If so, when?

NA

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

NA



STATE OF WASHINGTON – KING COUNTY

--SS.

139191
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 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:120647 ORD. IN FULL

was published on

12/14/01

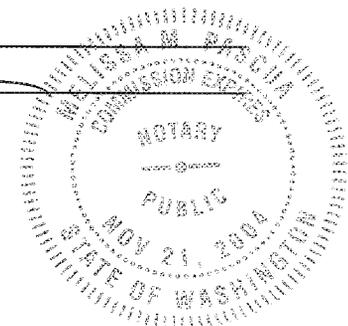


Subscribed and sworn to before me on

12/17/01


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

ORDINANCE 120647

AN ORDINANCE relating to decreasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility business tax on the selling or furnishing of water for hire; and

WHEREAS, Seattle Public Utilities has worked for many years with the City of Tacoma and certain other utilities to develop the Second Supply Project, which would allow water from Tacoma's second water right on the Green River to be brought to Seattle's Cedar River water supply system; and

WHEREAS, Ordinance 119860 increased the rate of the utility business tax on the selling or furnishing of water for hire from ten percent (10%) to ten and one-tenth percent (10.1%) in anticipation of increased indirect administrative overhead costs to be incurred by the City's General Fund in connection with the Second Supply Project; and

WHEREAS, with the passage of Ordinance 120150, the Mayor and City Council authorized execution of an agreement providing for the joint development of the proposed Second Supply Project with the City of Tacoma and certain other utilities; and

WHEREAS, the City of Seattle now finds that administrative overhead costs incurred in connection with participation in the Second Supply Project have been reduced and that the tax increase approved in Ordinance 119860 is no longer required to meet such costs; NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective October 1, 2001, Subsection C of Section 5.48.050 of the Seattle Municipal Code is hereby amended as follows:

5.48.050 OCCUPATIONS SUBJECT TO TAX -- AMOUNT.

competitors who fail to obtain such

each day have decided advantage over

fully read the Journal of Commerce

Business firm managers who care-

14, 2001.
Journal of Commerce, Seattle, December
Date of official publication in Daily
P.M. City Clerk.
Publication ordered by JUDITH PIP-
City Clerk.
(Said) JUDITH E. PIPPIN,
2001.
Filed by me this 3rd day of December,
Mayor.
PAUL SCHEIL,
ember, 2001.
Approved by me this 30th day of No-
President of the City Council.
MARGARET PAGELEB,
1901.
passed this 26th day of November,