

2012 Seattle City Council Green Sheet

Approved

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10	1	B	2

Budget Action Title: Amend and pass as amended C.B. 117311 - the solid waste tonnage tax ordinance, to modify SPU-proposed tonnage tax increases to provide \$177,000/year for expanded Clean City services along Third Avenue downtown.

Councilmembers: Bagshaw; Burgess; Clark; Rasmussen

Staff Analyst: Meg Moorehead

Council Bill or Resolution: C.B. 117311, gray tab 25

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2011	Pass 8- 1-Absent	Y	Y	Y	Y	Y	Y	-	Y	Y

Summary of Dollar Effect

See the following pages for detailed technical information

	2012 Increase (Decrease)
General Subfund	
<i>General Subfund Revenues</i>	\$0
<i>General Subfund Expenditures</i>	\$0
<i>Net Balance Effect</i>	\$0
Other Funds	
<i>Solid Waste Fund</i>	
<i>Revenues</i>	\$177,000
<i>Expenditures</i>	\$303,000
<i>Net Balance Effect</i>	(\$126,000)
Total Budget Balance Effect	(\$126,000)

Budget Action description:

This green sheet amends and recommends passage as amended C.B. 117311 (tab 25 in the gray budget legislation notebook and attached in mark-up format), the solid waste tonnage tax ordinance, to modify tonnage tax increases to provide \$177,000/year for expanded Clean City services along Third Avenue downtown.

The tonnage tax is charged for solid waste brought to City transfer stations. As the main station user, Seattle Public Utilities (SPU) pays about 72% of the City's tonnage taxes and private haulers pay the rest. SPU proposes to increase the \$8.69/ton tonnage tax by 14% per year from 2012 through 2014 to fund streetside litter and public place recycling activities that were mistakenly excluded from Clean City costs in recent years, \$142,000 of abandoned vehicle reporting activities formerly funded

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by non-tonnage tax General Subfund, and account for an updated calculation of overhead costs for Clean City activities.

This green sheet amends the proposed C.B. 117311 to include tonnage tax increases of 18.5% in 2012, 13.5% in 2013 and 13.5% in 2014. This green sheet results in 2012 tonnage taxes that are \$0.39 per ton more than proposed by SPU, for a 2012 tax of \$10.30 per ton. The \$177,000 of added tax revenue would be used to enhance Clean City services along Third Avenue in the downtown core. Although the \$177,000 amount is based on the cost of adding evening litter pick-up along several blocks of Third Avenue, based on priorities identified by the task force described in SLI 114-2-A, the funds also could be used for other Clean City services such as graffiti clean-up.

By raising the tax rate, the Solid Waste Fund's tax bill will increase. In 2012, the increased appropriation authority required for SPU's 72% share of the new tonnage tax obligation is \$126,000.

In terms of impacts on the typical residential monthly solid waste bill, in 2011 \$0.94 of the typical \$34.75 bill is attributable to the tonnage tax. In 2014, the amount attributable to the tonnage tax would be \$1.39 (of a \$41.58 bill) under the SPU proposal and \$1.44 with the increase in this green sheet.

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Budget Action Transactions

Budget Action Title: Amend and pass as amended C.B. 117311 - the solid waste tonnage tax ordinance, to modify SPU-proposed tonnage tax increases to provide \$177,000/year for expanded Clean City services along Third Avenue downtown.

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Add appropriation for expanded Clean City services along Third Avenue in the downtown core				SPU	Other Operating	N400B-SW	45010	2012		\$177,000
2	Add revenue from increased tonnage tax				SPU	Transfer Fee - In City	516457	45010	2012	\$177,000	
3	Add appropriation for increased tonnage tax payments				SPU	General Expense	N000B-SW	45010	2012		\$126,000
4	Increase use of working capital for the increased tonnage tax payment				SPU	Decrease (Increase) in Working Capital	379100	45010	2012	\$126,000	

1 Effective January 1, 2013, a rate of \$~~11.29~~11.69 per ton. Effective January 1, 2014, a rate of
2 \$~~12.87~~13.27 per ton. To prevent pyramiding of the tax under this subsection when two ~~((2))~~ or
3 more transfers occur in Seattle, the tax is imposed only upon the last transferor and shall not
4 apply to earlier transfers. Solid waste is transferred from one ~~((+))~~ mode of transportation
5 equipment to another, whenever it is moved from a motor vehicle (including, for example,
6 landgrading or earthmoving equipment), barge, train or other carrier to another motor vehicle
7 (including landgrading or earthmoving equipment), barge, train or other carrier, irrespective of
8 whether or not temporary storage occurs in the process. Solid waste shall not be considered
9 transferred if the solid waste was generated and placed in a sealed shipping container outside of
10 the city prior to being moved from one mode of transportation to another within the city or the
11 solid waste was put into a sealed shipping container at a transfer station and subjected to the
12 transfer tax prior to being delivered to the railhead. Beginning January 1, 2009, the transfer tax
13 shall also be imposed on the last transfer in the city of construction, demolition, and landclearing
14 solid waste placed into an intermodal container at the construction, demolition, or landclearing
15 site and transported for landfill or incineration disposal outside of the city. Solid waste
16 transported for recycling, reuse, yard and food waste destined for composting, items to be
17 scrapped for salvage, solid waste used for beneficial use as approved by Seattle Public Utilities,
18 soils, dangerous waste and hazardous substances, and sand and gravel for construction of a
19 public improvement shall not be included in the tonnage by which the transfer tax is measured.
20 The measure of the transfer tax is the actual tonnage of the last in-city transfer of solid waste
21 materials destined for landfill, or incineration disposal unless excluded above, and it is the intent
22 of this subsection that all solid waste generated within the City, unless excluded above, destined
23 to a landfill or incineration disposal be subject to this transfer tax.

24
25 * * *

1 Section 2. This ordinance does not affect any existing right acquired or liability or
2 obligation incurred under the sections amended or repealed in this ordinance or under any rule or
3 order adopted under those sections, nor does it affect any proceeding instituted under those
4 sections.

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

8 Passed by the City Council the ____ day of _____, 2011, and
9 signed by me in open session in authentication of its passage this
10 ____ day of _____, 2011.

11 _____
12
13 President _____ of the City Council

14
15 Approved by me this ____ day of _____, 2011.

16
17 _____
18 Michael McGinn, Mayor

19
20 Filed by me this ____ day of _____, 2011.

21
22 _____
23 Monica Martinez Simmons, City Clerk

24 (Seal)