

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

Legislation Title: AN ORDINANCE related to increasing the Business License Tax Certificate Fee and amending Sections 5.30.060 and 5.55.030 of the Seattle Municipal Code.

Summary and background of the Legislation: This legislation restructures and increases the City’s business license tax certificate fees from a two-tier structure into a five-tier structure. The business license tax certificate fees were last increased in 2014.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation does not have direct financial implications.

This legislation is anticipated to increase license fee revenues \$5.5 million in 2017. In order to implement and administer the fee changes, future legislation will contain increased position adds for 2.0 FTE and appropriations of approximately \$200,000 annually beginning in 2016 to modify City tax and licensing systems (SLIM and FileLocal) and carry out a variety of process and procedural changes required by the new tiered licensing fee structure.

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 is anticipated to increase license fee revenues \$5.5 million in 2017. In order to implement and administer the fee changes, future legislation will contain increased position adds for 2.0 FTE and appropriations of approximately \$200,000 annually beginning in 2016 to modify City tax and licensing systems (SLIM and FileLocal) and carry out a variety of process and procedural changes required by the new tiered licensing fee structure.

- b) **Is there financial cost or other impacts of not implementing the legislation?**
The financial cost of not implementing the legislation is the annual loss of the additional Business License Tax Certificate revenues described above.

- c) **Does this legislation affect any departments besides the originating department?**
FAS and SeaIT will work together to implement the systems changes to allow for the

new structure and fee amounts. The City's FileLocal vendor will have to make similar necessary changes within that shared portal system. Additionally, FAS will have to create new license forms and implement new procedures to administer the multi-tiered fee structure.

d) Is a public hearing required for this legislation?

No.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? This legislation will increase the fees for businesses over current levels. Although fees for smaller businesses are not increasing as much as for larger businesses, the financial effect of the increase is the only implication for the principles of the Race and Social Justice Initiative. There are no additional administrative process, accounting or reporting requirements imposed by this legislation.

i) 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.

j) Other Issues:

List attachments/exhibits below: