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Tony Kilduff
LEG Business License ORD
October 27, 2014
Version #1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118256

AN ORDINANCE relating to the Department of Finance and Administrative Services; increasing the business license fee, and amending Section 5.55.030 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective for Seattle Business licensees to engage in business in 2015 and subsequent years, Section 5.55.030 of the Seattle Municipal Code, last amended by Ordinance 123361, is amended as follows:

5.55.030 License Requirements

A. No person, unless specifically exempted, shall engage in any business activity, profession, trade or occupation in the City without having first obtained and being the holder of a valid and subsisting license to do so, to be known as a "business license." The fee for the business license shall be ((~~$90.00~~))$110.00 for persons with worldwide gross income of the business and value of products of more than $20,000 in the current calendar year that engage in any business activity, profession, trade or occupation in the City prior to July 1st and ((~~$45.00~~))$55.00 for persons beginning their activity on or after July 1st. The business license fee for persons with worldwide gross income of the business and value of products of $20,000 or less in the current calendar year will be ((~~$45.00~~))$55.00 if prior to July 1st and ((~~$22.50~~))$27.50 for persons beginning their activity on or after July 1st. The fee shall accompany the application for the license.

The business license shall expire at the end of the calendar year for which it is issued. The business license shall be personal and nontransferable except as provided in subsection G,

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below. Applications for the business license shall be made to the Director of Finance and Administrative Services on forms provided by the Director. Each business license shall be numbered, shall show the name, place and character of the business of the licensee, and such other information as the Director deems necessary, and shall at all times be conspicuously posted in the place of business for which it is issued.

If the licensee changes the place of business, the licensee shall return the business license to the Director and a new license shall be issued for the new place of business free of charge.

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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.

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Passed by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its passage this _____ day of _____, 2014.

_____

President _____ of the City Council

Approved by me this ____ day of _____, 2014.

_____

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

_____

Monica Martinez Simmons, City Clerk

(Seal)

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Form revised: February 26, 2014

2015 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Tony Kilduff/4-3580	N/A

Legislation Title:
AN ORDINANCE relating to the Department of Finance and Administrative Services; increasing the business license fee, and amending Section 5.55.030 of the Seattle Municipal Code.

Summary of the Legislation:
This legislation would increase the business license fee from $45.00 to $55.00 for businesses with annual revenues less than $20,000 and from $90.00 to $110.00 for businesses with annual revenues greater than that starting in 2015.

Background:
The City charges a license fee for most businesses that operate in the City—there are certain exceptions. The fees have not been adjusted since 2005 when they were increased from $75.00 to $90.00. The proposed increase generally reflects inflation since 2005.

____ **This legislation does not have any financial implications.**

__X__ **This legislation has financial implications.**

General Subfund revenues will increase.

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2015 Proposed	2016 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance	Business License Fees	$1,100,000	$1,100,000

(If new revenue is for a partial year, provide estimate for full year in the notes section below.)

Revenue Change Notes: All new revenues are addressed in standalone legislation.

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

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Fund Name and Number	Revenue Source	Total 2015 Revenue	Total 2016 Revenue
TOTAL			

Total Revenue Notes:

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes this indirectly affects the City's costs for developing File Local (please see item c) below).

b) **What is the financial cost of not implementing the legislation?**
$1.1 million in General Subfund revenues.

c) **Does this legislation affect any departments besides the originating department?**
Yes, the Department of Finance and Administrative Services, will need to modify tax filing forms and various systems, including educational and customer support services, to administer the fee change. Additionally the FileLocal Agency (the multi-city online tax filing system the City is spearheading development of) will have to undertake a re-coding of its system to accommodate this fee change. The FileLocal system is in testing phase now and this change may cause some delays given the timing. The City would need to coordinate this modification with the FileLocal agency.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
None.

e) **Is a public hearing required for this legislation?**
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) **Other Issues:**
None.

List attachments to the fiscal note below: None.

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