SEATTLE CITY COUNCIL

Legislative Summary

CB 118528

Record No.: CB 118528
Version: 1
Type: Ordinance (Ord)
124911
Status: Passed
In Control: City Clerk
File Created: 09/11/2015
Final Action: 12/01/2015

Title: AN ORDINANCE relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

Notes:

Sponsors: Licata

Attachments: CB 118528 Att A - Ordinance 122199

Drafter: adam.schaefer@seattle.gov

	Date
Filed with City Clerk:	
Mayor's Signature:	
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: ☐ Yes ☐ No

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/28/2015	Mayor's leg transmitted to Council	City Clerk			

Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	10/20/2015	sent for review	Budget Committee			

Action Text: The Council Bill (CB) was sent for review. to the Budget Committee
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	10/26/2015	referred	Budget Committee			

Action Text: The Council Bill (CB) was referred. to the Budget Committee
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Budget Committee	11/16/2015	pass				Pass

Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:

In Favor: 7 Chair Licata, Member Bagshaw, Member Burgess, Member Godden, Member O'Brien, Member Rasmussen, Member Sawant

Opposed: 0

			Absent(NV):	1	Okamoto		
1	Full Council	11/23/2015	passed				Pass
	Action Text:	The Council Bill (CB) was passed by the following vote and the President signed the Bill:					
	Notes:						
			In Favor:	9	Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Okamoto, Councilmember Rasmussen, Councilmember Sawant		
			Opposed:	0			
1	City Clerk	11/30/2015	submitted for Mayor's signature			Mayor	
	Action Text:	The Council Bill (CB) was submitted for Mayor's signature. to the Mayor					
	Notes:						
1	Mayor	12/01/2015	Signed				
	Action Text:	The Council Bill (CB) was Signed.					
	Notes:						
1	Mayor	12/01/2015	returned			City Clerk	
	Action Text:	The Council Bill (CB) was returned. to the City Clerk					
	Notes:						
1	City Clerk	12/01/2015	attested by City Clerk				
	Action Text:	The Ordinance (Ord) was attested by City Clerk.					
	Notes:						

CITY OF SEATTLE

ORDINANCE 124981

COUNCIL BILL 118528

AN ORDINANCE relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

WHEREAS, Section 5.48.055 of the Seattle Municipal Code authorizes two taxes related to solid waste based on tonnage of that waste: subsection 5.48.055.A authorizes a tax on everyone engaged in, or carrying on, the business of operating a garbage transfer station or transferring solid waste generated in or outside the City from one mode of transportation to another (Transfer Tax); and subsection 5.48.055.B authorizes a tax on everyone engaged in, or carrying on, the business of collecting certain non-recycled solid waste within the City (Collection Tax); and

WHEREAS, the Transfer Tax and the Collection Tax are referred to collectively in this ordinance as the Solid Waste Taxes; and

WHEREAS, Seattle City Charter Article XI, Section 3, authorizes ten percent of all license and fee revenues to be deposited in the Parks Fund; and

WHEREAS, in 2009, the City determined through Section 8 of Ordinance 123177 that it was in compliance with Seattle City Charter Article XI, Section 3, and initiated a change to accounting practice in the 2009 Second Quarter Supplemental Budget Ordinance 123067, Section 1, Item 1.9, to continue compliance through a more simplified process; and

WHEREAS, Ordinance 122199, which directs the City to deposit ten percent of Tonnage Taxes to the Parks Fund, is rendered redundant by this practice; and

WHEREAS, the Tonnage Tax currently supports clean City programs and activities; and

WHEREAS, it is the intent of the Mayor and the City Council that Solid Waste Taxes will continue to be used in support of clean City programs, supplemented by general funds as is reasonable; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Ordinance 122199, relating to the General Fund, Parks Fund, and Solid Waste Fund, authorizing the annual deposit into the Solid Waste Fund and Parks Fund, and passed by the City Council on August 14, 2006, and signed by the Mayor on August 17, 2006, is repealed in its entirety. The repealed contents of Ordinance 122199 are included as Attachment A to this ordinance.

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.

Passed by the City Council the 23rd day of Nov., 2015, and signed by me in open session in authentication of its passage this 23rd day of Nov., 2015.

President ____________ of the City Council

Approved by me this 1st day of December, 2015.

Edward B. Murray, Mayor

Filed by me this 1st day of December, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment A: Ordinance 122199

COUNCIL BILL 115653

ORDINANCE 122199

AN ORDINANCE relating to the General Fund, Parks Fund and Solid Waste Fund; authorizing the annual deposit into the Solid Waste Fund and Parks Fund, of receipts of two taxes on persons in the business of collecting or transferring solid waste; and authorizing the transfer of certain funds from the General Fund to the Solid Waste Fund.

WHEREAS, Section 5.48.055 of the Seattle Municipal Code authorizes two taxes related to solid waste based on tonnage of that waste: SMC 5.48.055.A authorizes a tax on everyone engaged in, or carrying on, the business of operating a garbage transfer station or transferring solid waste generated in or outside the City from one mode of transportation to another (the "Transfer Tax"); while SMC 5.48.055.B authorizes a tax on everyone engaged in, or carrying on, the business of collecting certain non-recycled solid waste within the City (the "Collection Tax"); and

WHEREAS, the Transfer Tax and the Collection Tax are referred to collectively herein as the "Solid Waste Taxes;" and

WHEREAS, it is the intent of the Mayor and the City Council that certain proceeds of the Solid Waste Taxes be deposited in the Solid Waste Fund as Solid Waste Tonnage Fees to pay the solid waste system's costs for clean city programs and landfill closure; that certain other proceeds of the Solid Waste Taxes be deposited in the Parks Fund; and that certain funds be transferred from the General Fund to the Solid Waste Fund to pay part of the City's costs for clean city programs; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The deposit into the Parks Fund in 2006 of ten percent (10%) of the gross receipts of the Solid Waste Taxes is hereby authorized. The deposit into the General Fund of Two hundred Ninety-four Thousand Dollars ($294,000) in 2006, of the gross receipts of the Solid Waste Taxes, is hereby authorized.

Effective January 1, 2007, the annual deposit into the Parks Fund of ten percent (10%) of the annual gross receipts of the Solid Waste Taxes is hereby authorized.

Section 2. The remaining annual gross receipts of the Solid Waste Taxes shall be deposited in the Solid Waste Fund as Solid Waste Tonnage Fees.

Section 3. Amounts equal to the annual deposits into the Parks Fund authorized in Section 1 shall be transferred from the General Fund to the Solid Waste Fund .

Section 4. The provisions of this ordinance are declared to be separate and severable. If any one or more of the provisions of this ordinance shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and severed from the rest of this ordinance, and all other provisions of this ordinance shall remain valid and enforceable.

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

Passed by the City Council the ____ day of _________, 2006, and signed by me in open session in authentication of its passage this _____ day of __________, 2006.

____

President __________of the City Council

Approved by me this ____ day of _________, 2006.

____

Gregory J. Nickels, Mayor

Filed by me this ____ day of _________, 2006.

____

City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
City Budget Office	Aaron Blumenthal, 3-2656	Ben Noble, 4-8160

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

Summary and background of the Legislation: This legislation repeals Ordinance 122199 that: 1) Directs the Transfer Tax and Collection Tax outlined in 5.48.055 of the Seattle Municipal Code (referred to collectively herein as the “tonnage tax”) be deposited in the Solid Waste Fund and Parks Fund, and; 2) Directs the City to contribute 10% of the Transfer Tax and Collection Tax to the Parks Fund.

The tonnage tax, a general business use tax levied on garbage haulers, currently funds a portion of the City’s General-funded cleanup activities in the Clean City program. The Clean City program contains many sub-programs that support general fund public garbage and recycling pick-up on City property and in City parks, support illegal dumping response, and fund graffiti removal, rodent control services, and other waste reduction efforts. Seattle Public Utilities administers the program on behalf of the General Fund, and maintains Memorandums of Agreement with the Department of Parks and Recreation and Department of Transportation.

The tonnage tax, originally intended to fully fund this program, only partially funds these efforts. Tonnage tax revenues have historically fallen due to improvements in the City’s recycling targets, which do not generate revenue under this tax. As a result, the Clean City program continues to require supplemental funding from other General Fund sources.

Ordinance 122199, which this legislation would repeal, requires a burdensome process to fund the Clean City program by directing the tax to be deposited to particular funds; the Ordinance did not anticipate supplemental funding required to sustain the program.

In addition, the requirement to deposit 10% of the revenue in the Parks Fund is now obsolete. In 2009, the Law Department, in collaboration with the City Budget Office, determined that compliance with this Charter directive could be maintained with a less complicated accounting practice (and accompanying statement) in the annual Budget Ordinance. This occurred first in the 2010 Budget (Ordinance 123177, Section 8), indicating the City’s compliance with Article XI. Ongoing compliance was initiated through new accounting practice in the 2009 Second Quarter Supplemental Budget Ordinance (Ordinance 123067, Section 1, Item 1.9), which reconciled all necessary transfers to reflect this change in collection of the revenues and disbursements of the 10% contribution to Parks.

There are no financial impacts anticipated due to the repeal of this Ordinance. This legislation will not affect revenues generated by this tax, costs associated with the programs it supports, or changes in service provision of these programs, since this reflects a net-zero transfer of revenue and expenditure authority.

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.**

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?**
No.

b) **Is there financial cost or other impacts of not implementing the legislation?**
No. This legislation anticipates a technical change to the procedures of collecting and distributing the tonnage tax, but will not affect revenues, costs, or programs supported by the tax, if not implemented.

c) **Does this legislation affect any departments besides the originating department?**
Not directly from this legislation. Technical changes to the procedures of collecting and distributing the tonnage tax will require net-zero changes to the 2016 Budget for SPU.

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?**
None.

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:** None.

STATE OF WASHINGTON -- KING COUNTY

--ss.

331451

No. 124908,909,910,911,912,13

CITY OF SEATTLE,CLERKS OFFICE

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:TITLE ONLY ORDINANCES

was published on

12/15/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

MELISSA M. DOWD
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES
11-21-19

Subscribed and sworn to before me on

12/15/2015

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 23, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar. Document Type Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124906

AN ORDINANCE relating to the annual budget of the Office of Arts and Culture; amending Section 5.40.120 of the Seattle Municipal Code.

Ordinance 124908

AN ORDINANCE relating to the Central Waterfront Project, authorizing amendment of the "Memorandum of Understanding Concerning Renovation and Expansion of the Seattle Aquarium and Development of the Central Waterfront" between The City of Seattle and the Seattle Aquarium Society.

Ordinance 124909

AN ORDINANCE relating to the Smith Cove project in the Department of Parks and Recreation; and authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of $560,000, to the Parks Capital Fund for bridge financing of the Smith Cove project.

Ordinance 124910

AN ORDINANCE related to ending the square footage business tax for periods after December 31, 2015; and amending Section 5.46.030 of the Seattle Municipal Code.

Ordinance 124911

AN ORDINANCE relating to the Transfer Tax and Collection Tax; repealing Ordinance 122199 relating to the General Fund, Parks Fund, and Solid Waste Fund.

Ordinance 124912

AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

Ordinance 124913

AN ORDINANCE relating to the solid waste system of The City of Seattle; adopting a system or plan of additions and betterments to and extensions of the solid waste system; authorizing the issuance and sale of solid waste system revenue bonds, in one or more series, for the purposes of paying part of the cost of carrying out that system or plan, providing for the reserve requirement and paying the costs of issuance of the bonds; providing for certain terms, conditions, covenants and the manner of sale of the bonds; describing the lien of the bonds; creating certain accounts of the City relating to the bonds; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, December 15, 2015.

12/15(331451)