

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Budget Office	Ben Noble/4-8160	NA

*\* 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

1. **Legislation Title:** AN ORDINANCE relating to taxation; repealing Ordinance 125578 relating to adding a new Chapter 5.37 (Employee Hours Tax) and a new Chapter 5.38 to Title 5 of the Seattle Municipal Code.
2. **Summary and background of the Legislation:**

This ordinance repeals the Employee Hours Tax that would have otherwise taken effect on January 1, 2019. The City Council passed this ordinance on May 14<sup>th</sup> and it was signed by the Mayor on May 16<sup>th</sup>. As adopted, the tax was projected to generate \$47.4 million per year, with the intent that this revenue be dedicated to funding both immediate services for the homeless and long-term affordable housing.

### 2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?**     \_\_\_ Yes  x  No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?**     \_\_\_ Yes  x  No
- b. **Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
The ordinance will reduce the resources available to the General Fund in 2019 and beyond by \$47.4 million per year.
- c. **Is there financial cost or other impacts of *not* implementing the legislation?**  
Signatures are currently being gathered in an effort to repeal the Employee Hours Tax ordinance via referendum, and King County Elections will bill the City some additional cost for having the repeal measure on the November 2018 ballot. If the City acts to repeal this legislation without the referendum, these additional election costs will be avoided.

#### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**  
Yes – the Human Services Department, the Office of Housing and the Department of Financial and Administrative services would all have received funding from the proposed tax.
- b. Is a public hearing required for this legislation?**  
No
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**  
No.
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.
- e. Does this legislation affect a piece of property?**  
No.
- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**  
The Employee Hours Tax would have provided \$47.4 million per year for homeless services and long-term affordable housing. People of color are disproportionately represented among the homeless and those in need of subsidized housing, and repeal of the tax will reduce the resources available to provide immediate support services and address their long-term housing needs.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).**  
Not applicable.

**List attachments/exhibits below:**