

Ordinance No. 119860

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Council Bill No. 113098

# The City of Seattle Council Bill/Ordinance

AN ORDINANCE increasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

2/14/00 Passed

CF No. \_\_\_\_\_

Date Introduced: <u>FEB - 7 2000</u>		
Date 1st Referred: <u>FEB - 7 2000</u>	To: (committee)	<b>FULL COUNCIL</b>
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>2-14-00</u>	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor: <u>2-15-00</u>	Date Approved: <u>2/17/00</u>	
Date Returned to City Clerk: <u>2/18/00</u>	Date Published: <u>2/18</u>	T.O. <input checked="" type="checkbox"/> P.T. <input checked="" type="checkbox"/>
Date Vetted by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

This file is complete and ready

Law Dept. Review

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: DRAGO  
Councilmember

## Committee Action:

2/14/00 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

Law Dept. Review

OMP  
Review

City Clerk  
Review

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ORDINANCE 119860

AN ORDINANCE increasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility business tax on the selling or furnishing water for hire at a rate of ten percent (10%) of the total gross income of such retail business in the City; and

WHEREAS, pending the completion of environmental review, the City is considering becoming a participant in and making a major financial commitment to the joint development with the City of Tacoma and certain other utilities of the proposed Second Supply Project, which would allow water from Tacoma's second water right on the Green River to be brought to Seattle's Cedar River water supply system; and

WHEREAS, the City finds that the indirect administrative overhead costs to be incurred by the City's general fund in connection with the Second Supply Project in particular and in connection with providing for the environmentally responsible stewardship of the City's water supply system in general warrants increasing the City's utility business tax on the sale or furnishing of water; and

WHEREAS, the City believes that the purported blanket voter approval requirement Section 2 of Initiative 695 is neither constitutionally valid as applied to City taxes, which are all specifically authorized by existing legislation, nor in the public interest;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection C of Section 5.48.050 of the Seattle Municipal Code is amended as follows:

**5.48.050 Occupations subject to tax-Amount.**

There are levied upon, and shall be collected from everyone, including The City of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

\* \* \*



1 C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of  
2 selling or furnishing water for hire, a fee or tax equal to ~~((ten percent (10%)))~~ ten and one tenth  
3 percent (10.1%) of the total gross income from such retail business in the City; provided that as  
4 to The City of Seattle in the conduct of its municipal water utility, such tax shall be applicable to  
5 the business of such utility done without, as well as within, the City.

6 \* \* \*

7 Section 2. Anyone wishing to file a petition opposing this tax increase must file a referendum  
8 petition with the City Clerk pursuant to RCW 35.21.706 within 7 (seven) days after passage of the  
9 ordinance by the City Council.

10 Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its  
11 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
12 presentation, it shall take effect as provided in Municipal Code Section 1.04.020.

13 Passed by the City Council the 14 day of February, 2000, and signed by me in open session in  
14 authentication of its passage this 14 day of February, 2000.

15 Margaret Poyer  
16 President 0 of the City Council

17 Approved by me this 17<sup>th</sup> day of February, 2000.

18 Paul Schell  
19 Mayor

20 Filed by me this 18<sup>th</sup> day of February, 2000.

21 Justith E. Peppin  
22 City Clerk

23 (Seal)



## Fiscal Note

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

<b>Department:</b> Legislative	<b>Contact Person/Phone:</b> G. Saroja Reddy /4-8147	<b>CBO Analyst/Phone:</b>
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**Legislation Title:** \_\_\_\_\_

AN ORDINANCE increasing the utility business tax on the business of selling or furnishing water; and amending Seattle Municipal Code Section 5.48.050.

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**Summary of the Legislation:** \_\_\_\_\_

This legislation would increase the utility business tax on the business of selling or furnishing water upon everyone, including The City of Seattle, to ten and one tenth percent (10.1%) of the total gross income from such retail business in the City.

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**Background (Include justification for the legislation and funding history, if applicable):** \_\_\_\_\_

Currently the Seattle Municipal Code Section 5.48.050 establishes a utility business tax on the selling or furnishing water for hire at a rate of ten percent (10%) of the total gross income of such retail business in the City. Pending the completion of environmental review, the City is considering becoming a participant in and making a major financial commitment to the joint development with the City of Tacoma and certain other utilities of the proposed Second Supply Project, which would allow water from Tacoma's second water right on the Green River to be brought to Seattle's Cedar River water supply system. The indirect administrative overhead costs to be incurred by the City's general fund in connection with the Second Supply Project in particular and in connection with providing for the environmentally responsible stewardship of the City's water supply system in general warrants increasing the City's utility business tax on the sale or furnishing of water.

Furthermore, the City believes that the purported blanket voter approval requirement Section 2 of Initiative 695 is neither constitutionally valid as applied to City taxes, which are all specifically authorized by existing legislation, nor in the public interest.

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**Sustainability Issues (related to grant awards):** \_\_\_\_\_

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\_\_\_\_\_

***Estimated Expenditure Impacts:***

FUND	1998	1999	2000
Water Fund			\$89,000
<b>TOTAL</b>			\$89,000

One-time \$ \_\_\_\_\_

On-going \$ \_\_\_\_\_ x \_\_\_\_\_

***Estimated Revenue Impacts:***

FUND	1998	1999	2000
General Fund			\$89,000
<b>TOTAL</b>			\$89,000

One-time \$ \_\_\_\_\_

On-going \$ \_\_\_\_\_ x \_\_\_\_\_

***Estimated FTE Impacts:***

FUND	1998	1999	2000
<b>TOTAL</b>			

# Full Time \_\_\_\_\_ # Part Time \_\_\_\_\_ # TES \_\_\_\_\_

Do positions sunset in the future? If so, when?

\_\_\_\_\_

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\_\_\_\_\_

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**Other Issues (including long-term implications of the legislation):**

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STATE OF WASHINGTON - KING COUNTY

115276  
City of Seattle, City Clerk

—ss.

No. FULL ORDINAN

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:119860 ORD. IN FUL

was published on

02/28/00

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

*H. Patterson*

Subscribed and sworn to before me on

02/28/00

*McQuinn*

Notary Public for the State of Washington  
residing in Seattle

# City of Seattle

## ORDINANCE 119860

AN ORDINANCE increasing the utility business tax on the business of selling or furnishing water, and amending Seattle Municipal Code Section 5.48.050.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility business tax on the selling or furnishing water for hire at a rate of ten percent (10%) of the total gross income of such retail business in the City; and

WHEREAS, pending the completion of environmental review, the City is considering becoming a participant in and making a major financial commitment to the joint development with the City of Tacoma and certain other utilities of the proposed Second Supply Project, which would allow water from Tacoma's second water right on the Green River to be brought to Seattle's Cedar River water supply system; and

WHEREAS, the City finds that the indirect administrative overhead costs to be incurred by the City's general fund in connection with the Second Supply Project in particular and in connection with providing for the environmentally responsible stewardship of the City's water supply system in general warrants increasing the City's utility business tax on the sale or furnishing of water; and

WHEREAS, the City believes that the purported blanket voter approval requirement Section 2 of Initiative 695 is neither constitutionally valid as applied to City taxes, which are all specifically authorized by existing legislation, nor in the public interest;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection C of Section 5.48.050 of the Seattle Municipal Code is amended as follows:

### 5.48.050 OCCUPATIONS SUBJECT TO TAX AMOUNT

There are levied upon, and shall be collected from everyone, including The City of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

\*\*\*

C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing water for hire, a fee or tax equal to ((ten percent (10%)) ten and one tenth percent (10.1%)) of the total gross income from such retail business in the City, provided that as to The City of Seattle in the conduct of its municipal water utility, such tax shall be applicable to the business of such utility done without, as well as within, the City.

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Section 2. Anyone wishing to file a petition opposing this tax increase must file a referendum petition with the City Clerk pursuant to RCW 35.21.705 within 7 (seven) days after passage of the ordinance by the City Council.

Section 3. 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 14th day of February, 2000, and signed by me in open session in authentication of its passage this 14th day of February, 2000.

MARGARET CARTER,  
President of the City Council.  
Approved by me this 17th day of February, 2000.

PAUL SCHELL,  
Mayor.  
Filed by me this 18th day of February,  
2000.  
(Seal) JUDITH E. PIPPIN,  
City Clerk.  
Publication ordered by JUDITH PIPPIN,  
City Clerk.

((Boldface denotes deletion.))

Date of official publication in Daily Journal of Commerce, Seattle, February 28, 2000. 2/28(119276)