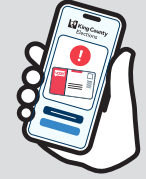


February 11, 2025 Special Election

King County Official Local Voters' Pamphlet

as requested by the City of Seattle



Sign up for ballot alerts!

Get texts or emails as your ballot is processed and counted. Opt in at kce.wiki/TrackMyBallot.

Register to vote

Online: Visit VoteWA.gov to register to vote online. The deadline to register online for the February Special Election is February 3.

By mail: Download and print a registration form from kce.wiki/VoterReg and mail to King County Elections: 919 SW Grady Way, Renton, WA 98057. It must be received by February 3.

In person: You can register in person through February 11, Election Day, at King County Elections headquarters. More information about hours and services can be found at kingcounty.gov/elections.

Contact us to receive this pamphlet in an alternate format.

Contact us to receive your voting materials in Chinese, Korean, Russian, Somali, Spanish or Vietnamese.

如需獲取您的中文投票資訊，請與我們聯絡。

한국어로 투표 자료를 받으시려면 저희에게 연락하세요.

Свяжитесь с нами, чтобы получать материалы для голосования на русском.

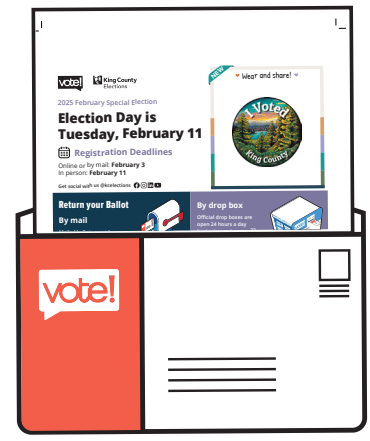
Nala soo xiriir si aad u hesho agabkaaga codeynta oo ku qoran Af-Soomaali.

Comuníquese con nosotros para recibir sus materiales de votación en español.

Xin vui lòng liên lạc với Sở Bầu cử Quận King để nhận tài liệu bầu cử bằng tiếng Việt.



Learn more about drop boxes, vote centers, and more!



We are here to help!

Elections staff can help you register and get a new ballot all the way up to Election Day. Need a replacement ballot and want to mark your ballot privately? Access your ballot online at kingcounty.gov/elections/obmp to utilize the Online Ballot Marking Program.

Wrapped around your ballot is vital information about how to return your ballot, receive assistance, and more. Be sure to check out your ballot wrap for:

- The five closest drop boxes to you
- Where to get in-person assistance
- How to print your ballot if yours is lost or damaged.

How to vote!

1 Read the statements in this insert about the contests you're voting on.



2 On your ballot, fill in the oval beside your choice with any color pen.



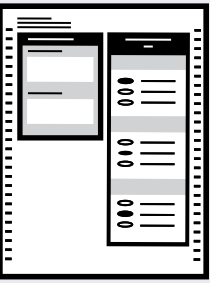
3 Sign your envelope. Your signature must match the signature on your voter registration record for your ballot to be counted.



4 Return your ballot early. Whether using a drop box or the mail, vote early!



5 Track your ballot at kce.wiki/TrackMyBallot. This is the fastest way for you to know your ballot was counted, and your voice was heard.



Need a replacement ballot?

If your ballot is lost or damaged, you can print a replacement from home, the library, or wherever is convenient.

The Online Ballot Marking Program (OBMP) is available for all registered voters. It's designed to enable voters with disabilities, particularly who are blind or low vision, to mark their ballot privately.



How to use the Online Ballot Marking Program



- Go to kingcounty.gov/elections/obmp.
 - Enter your information in the form.
 - Mark your ballot choices online and then print your completed ballot.
 - OR
 - Print your ballot and mark it by hand.
 - Check that your ballot is marked correctly.
 - Return your ballot as usual, at a ballot drop box or via USPS.
- No postage is required when you use the envelope cover sheet included when you print your ballot.



If you need additional assistance or another way to cast your ballot, please contact our office at 206-296-VOTE (8683).



Who donates to campaigns?

View financial contributors for state and local candidates and measures: Public Disclosure Commission www.pdc.wa.gov | Toll Free 1-877-601-2828

206-296-VOTE (8683)
elections@kingcounty.gov
kingcounty.gov/elections

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Proposition Nos. 1A and 1B

Proposition 1A (submitted by Initiative Petition No. 137) and Proposition 1B (alternative proposed by the Seattle Council and Mayor) concern payroll expense tax funding for the Social Housing Developer.

Proposition 1A would impose a tax on payroll expenses for employers doing business in Seattle. The tax rate would be 5% on annual compensation above \$1,000,000 paid in Seattle to any employee. Proceeds would support the Social Housing Developer, a public development authority created to develop, own, and maintain social housing in Seattle. The tax imposed would be in addition to the City's payroll expense tax levied under Seattle Municipal Code Chapter 5.38.

As an alternative, the Seattle City Council and Mayor have proposed Proposition 1B (Ordinance 127101), which would allocate \$10,000,000 of existing payroll expense tax revenues from the next five annual budgets to fund the Social Housing Developer. Proceeds would support the acquisition and development of social housing in Seattle. The Developer would have to apply and meet certain conditions as determined by the City before the award of funds. If no allocated funds are awarded within three years of their initial allocation, they would be available to support other affordable housing projects.

1. Should either of these measures be enacted into law?

Yes

No

2. Regardless of whether you voted yes or no above, if one of these measures is enacted, which one should it be?

Proposition 1A

Proposition 1B

The complete text of this measure is available beginning on page 4.

Requirement passage: Question 1 - simple majority; Question 2 - measure receiving highest number of votes (City of Seattle Charter, art. IV, sec. 1(G))

Explanatory statement

This measure presents voters with two questions regarding payroll expense tax funding for the Social Housing Developer, the public development authority previously established by voter approval of Initiative 135 in February of 2023. The Developer was created to develop, own, and maintain social housing in Seattle.

The first question is whether either of two alternative propositions should be adopted, both of which involve funding the Developer with proceeds from a payroll expense tax. The second question is which of the two alternative propositions should be adopted.

If a majority of voters vote "No" on the first question, then neither proposition will be adopted. If a majority of voters vote "Yes" on the first question, then the proposition receiving the greater number of votes in the second question will be adopted. Voters may vote on the second question regardless of their vote on the first question.

Proposition 1A

Proposition 1A would impose a new payroll expense tax on any employer doing business in Seattle city limits. The amount of the tax would be calculated as 5% on the total amount of annual compensation paid to any employee in Seattle above \$1,000,000. The tax would be in addition to the existing payroll expense tax levied under Seattle Municipal Code Chapter 5.38. At least 95% of the tax revenue would be allocated and transferred to the Developer. The maximum annual allocation to administer the tax is 5% of the tax revenue or \$2,000,000, whichever is lower.

The following would be exempt from the tax: (1) any individual who is an independent contractor and whose annual compensation in excess of \$1,000,000 is included in the tax paid by another business; and (2) businesses preempted from taxation by cities pursuant to federal or state statutes or regulations.

Proposition 1B

Proposition 1B would allocate \$10,000,000 of existing payroll expense tax revenues from the next five annual budgets to fund the Developer. Proceeds may be used for the acquisition, construction, or rehabilitation costs of social housing, except that the funding may only be used for the costs of housing residents up to 80 percent of area median income. Up to 5% of the amount allocated may be used by the Developer to pay for its administrative costs.

The Developer must hire a chief executive officer and chief financial officer, and demonstrate that it has adequate financial controls, as determined by the Director of the Office of Housing, prior to receiving funding for housing projects.

If dedicated funds for housing projects are not awarded to the Developer within three years of their initial allocation, the funds would be made available through the City's regular process that funds other affordable housing projects.

For questions about this measure, contact:

Polly Grow
Seattle Ethics and Elections
(206) 615-1248
polly.grow@seattle.gov

Statement in favor

Frank Chopp, Sharon Lee, Nick Licata
info@houseourneighbors.org

Seattle faces an unrelenting affordable housing and homelessness crisis. With a rapidly growing population and steeply increasing cost of living, many of us are being priced out of our communities. It's clear that our current tools for creating and maintaining affordable housing are insufficient. Proposition 1 would help address this crisis by collecting money that the Seattle Social Housing Developer (SSHD) will use to create and maintain publicly-owned, permanently affordable, mixed-income social housing in Seattle.

The homes created by the SSHD through Proposition 1A will be permanently affordable housing. These accessible, affordable, environmentally-friendly, union-made, high-quality homes would be available to renters across incomes – including educators, healthcare workers, childcare providers, those with fixed incomes, and marginalized communities that may otherwise be displaced. Importantly, creating more homes will help lower the cost of housing for everyone.

Seattle voters created the SSHD in February 2023 by voting overwhelmingly in favor of Initiative 135. However, the measure did not include a funding source because doing so would have violated the state's "single subject rule" for initiatives. Vote Yes on Proposition 1 (and 1A) to fund the Seattle Social Housing Developer.

Let's build a Seattle where everyone can afford to live and thrive.

Rebuttal of statement in opposition

Opponents argue that we shouldn't address the housing affordability crisis for all Seattleites. We disagree -- too many of our neighbors are struggling, and our city is losing too many of the communities that make it great.

As a municipal agency, created by the voters, the Seattle Social Housing Developer is staffed and led by experts in real estate, housing development, architecture, and public housing financing-- all ready to get to work building social housing.

Statement in opposition

Alice Woldt, Roger Valdez, George Howland Jr.
georgehowlandjr@gmail.com

Social housing backers say they are establishing a new "progressive" direction in housing policy. In fact, social housing will direct up to 100s of millions of our limited tax dollars to build housing for people with higher incomes up to \$126,000 a year.

Over 12,000 people are homeless in Seattle every night. Another 30,000 risk losing homes to increased rents and demolition. Any new tax revenues should go toward assisting these truly poor folks. Over the first ten years of social housing, advocates want exclusive use of \$520 million to build 1,940 higher income apartments but only 60 for homeless and poor people.

Two years ago, social housing backers promised they'd be creating projects by now financed only from the sale of bonds and rent charged on their units. Instead, they've done nothing. In addition, social housing advocates want to give all this money to an opaque start-up organization, the Seattle Housing Developer, that has never built a single unit of housing.

Over two dozen non-profits have a decades-long, proven track record of building housing for the poor in Seattle. That's where these millions need to go. Vote "No" to stop both reckless measures from becoming law.

Rebuttal of statement in favor

When it comes to Seattle's housing crisis, we need practical solutions. Developing affordable housing is a highly technical, difficult task. Proposition 1 would give up to \$52 million tax dollars a year, *in perpetuity*, to an unelected, inexperienced and inaccessible organization, the Social Housing Developer. Proposition 1 contains no oversight, timeline or required results for these housing development rookies.

Proposition 1 is a risk that Seattle cannot afford.

Statement in favor of Proposition 1A

Rebecca Saldaña, Robert Cruickshank, Tammy Morales
info@houseourneighbors.org

Proposition 1A taxes the wealthiest businesses to establish a dedicated fund for the Seattle Social Housing Developer (SSHD) to carry out its voter approved mandate. The City estimates Prop 1A will raise \$50 million a year for the SSHD to create permanently affordable, publicly owned, mixed income social housing.

We live in one of the wealthiest cities in the world, but not all Seattleites benefit from that wealth. Proposition 1A challenges this disparity, directing resources from the wealthiest businesses to the SSHD to build a housing stock that is affordable to all Seattleites.

This dedicated revenue stream will create more than 2,000 units, including family-sized units, of social housing over the next 10 years. Proposition 1A would ensure that nurses, teachers and educators, firefighters and artists can afford to live in our City. Proposition 1A gives Seattle new tools to fight our housing affordability crisis and fulfills the mandate created by voters when they created the SSHD. Proposition 1A takes our housing crisis seriously and would fund an internationally proven model of housing.

Proposition 1B does not take the housing crisis seriously. Proposition 1B keeps taxes low for wealthy businesses and stifles social housing.

Statement in favor of Proposition 1B

Al Levine, Maria Barrientos, Lisa Nitze
peopleforresponsiblesocialhous@gmail.com

We encourage you to vote *Yes* on 1B to support funding social housing with accountability and transparency and vote *No* on 1A that creates a brand-new tax providing \$50 million per year, *forever*, to one organization that has never built a single unit of housing.

We need more affordable housing and accountability, but the social housing Public Development Authority (PDA) was only created in 2023 and uses an unproven concept for building and managing housing. Social housing has never been tried in Seattle and is done in one other place in the United States. This concept may have merit, but can it deliver \$50 million worth of housing every year when it hasn't delivered any?

We support affordable housing and that is why we support Proposition 1B to provide \$10 million a year of existing tax revenues for 5 years to test the concept works. Proposition 1B adds the accountability and reporting requirements that Proposition 1A does not have. Proposition 1B requires the City's Office of Housing, a successful agency with a 40-year track record building thousands of housing units, to oversee and report on the progress of this social housing PDA. Please vote *Yes* on 1B.

Full text of Resolution 32148

A RESOLUTION regarding Initiative 137 concerning excess compensation payroll taxes to fund the Social Housing Developer (which the City Council determined not to enact on September 19, 2024); authorizing the City Clerk and the Executive Director of the Ethics and Elections Commission to take those actions necessary to enable proposed Initiative 137 to appear on the February 11, 2025 ballot and the local voters' pamphlet in conjunction with the Payroll Expense Tax proposal (City Council Bill 120864), which is a proposed alternative measure dealing with the same subject matter in accordance with Charter Article IV; requesting the King County Elections Director to place the proposed Initiative 137 and its alternate on the February 11, 2025 election ballot in accordance with applicable law; and providing for the publication of such proposed Initiative Measure and its alternate.

WHEREAS, proponents submitted to the City Clerk a ballot measure petition concerning excess compensation payroll taxes to fund the Social Housing Developer (which the City Clerk designated as Seattle Initiative No. 137 in Clerk File No. 322950); and

WHEREAS, the City Clerk forwarded the petition to the Director of King County Elections for certification of whether the petition bears a sufficient number of valid signatures to qualify for introduction to the City Council as provided in Seattle City Charter Article IV, Section 1; and

WHEREAS, the Director of King County Elections has certified that the Initiative No. 137 petition bears sufficient valid signatures to qualify for introduction to the City Council as provided in Seattle City Charter Article IV, Section 1; and

WHEREAS, Seattle City Charter Article IV, Section 1 provides that, if the City Council does not enact an initiative bill or measure bearing a sufficient number of signatures, it shall be the duty of the City Council to submit the initiative measure to the voters of the City for their ratification or rejection; and

WHEREAS, in accordance with Seattle City Charter Article IV, Section 1 the City Council has determined not to enact Initiative 137 and has adopted an alternative, Council Bill 120864; and

WHEREAS, the City Council finds that Initiative 137 and Council Bill 120864 conflict in certain particulars; and

WHEREAS, the City Council seeks to place both Initiative 137 and its alternative on the ballot for consideration by the voters of the City of Seattle; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. In accordance with City Charter Article IV, the Council reviewed Initiative 137 and determined not to enact it by motion approved by the Council. The Council directs that Initiative 137 be placed on the February 11, 2025 ballot to be voted on by the people, in accordance with applicable law.

Section 2. Pursuant to City Charter Article IV, Section 1, in addition to placing Initiative 137 on the ballot, the Council adopted Council Bill (CB) 120864, an alternative measure dealing with the same subject as Initiative 137. CB 120864 and Initiative 137 conflict in several particulars. The Council is placing CB 120864 on the February 11, 2025 ballot to be voted on by the people at the same time as Initiative 137.

Section 3. The City Clerk is authorized and directed to take those actions necessary to place City of Seattle Initiative Measure No. 137 filed in Clerk File (CF) 322950, a copy of which is attached as Attachment A to this resolution, in conjunction with CB 120864, on the February 11, 2025 ballot, including but not limited to publishing the proposed Initiative Measure and its alternate as provided by the City Charter.

Section 4. The Executive Director of the Ethics and Elections Commission is authorized and requested to take those actions necessary to place information regarding City of Seattle Initiative Measure No. 137 in conjunction with CB 120864 in the February 11, 2025 voters' pamphlet.

Section 5. The Director of Elections of King County, Washington, as ex officio supervisor of elections, is requested to call for a special election and place City of Seattle Initiative Measure No. 137 in conjunction with CB 120864 on the February 11, 2025 ballot, and in accordance with applicable law.

Rebuttal of statement in favor of Proposition 1B

Proposition 1B takes \$10 million from affordable housing and essential services to keep taxes low for our wealthiest businesses. It also dismantles the proven business model for social housing, guaranteeing that it fails before producing any of the housing we desperately need.

Creating more delay and bureaucracy isn't the way out of our housing crisis. It's how we got here in the first place. We must act at the speed and scale this crisis requires.

Rebuttal of statement in favor of Proposition 1A

When the SSHD was created in 2023, the same supporters as 1A said "no government subsidy necessary". Two years later, they want \$50 million a year. They said 12% of units for the homeless and low income, now it's 3%. And they want taxes to subsidize homes for people earning 120% of median income - not our poorest residents.

1A would increase taxes again on jobs when downtown and neighborhood businesses are struggling. Vote for 1B.

Full text of Resolution 32148 - Attachment A

AN ACT to levy an excess compensation payroll expense tax to fund the Seattle Social Housing Developer.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF SEATTLE:

Section 1. A new Chapter 5.37 is added to Title 5 of the Seattle Municipal Code as follows:

Chapter 5.37 SOCIAL HOUSING TAX**5.37.000 Purpose**

On February 14, 2023, Seattle voters approved Initiative 135 by a 14-point margin. I-135 created the Seattle Social Housing Developer to develop, own, and maintain social housing developments in the City of Seattle and for all related lawful purposes or public functions within the limits of the City of Seattle and outside of the City to the extent provided by state law. Social housing is available to all, permanently affordable, and publicly owned in perpetuity. Social housing will increase the supply of permanent, truly affordable housing for Seattle residents. Social housing is an internationally proven model that spans multiple countries and continents, including but not limited to: Maryland's Montgomery County, Toronto, Finland, Singapore, France, Vienna, and New Zealand to name a few. The social housing tax levied through this initiative provides a progressive revenue source that will support the Seattle Social Housing Developer's efforts to expand access to affordable social housing in Seattle by funding the construction and acquisition of social housing, operation costs, maintenance costs, rehabilitation of acquisitions, making control investments in housing developments, and other functions that advance its mission. The housing developed under this ordinance will be permanently protected for public use, dedicated to workforce and community housing, and will thereby increase the supply of permanent, truly affordable housing. The social housing payroll tax will provide a critical, ongoing revenue stream for the Seattle Social Housing Developer to fulfill its mission as outlined in Initiative 135. This revenue stream should eventually complement other sources of funding as the Seattle Social Housing Developer looks to federal grants, State of Washington revenue streams, and other sources to accelerate its ability to build and acquire social housing.

5.37.010 Administrative provisions

The provisions contained in Chapter 5.55 shall apply to the taxes imposed in this Chapter except as expressly stated to the contrary herein.

5.37.020 Definitions

The definitions applicable to Chapter 5.38, as in effect on January 1, 2024, shall be fully applicable to this Chapter except as may be expressly stated to the

contrary herein. The following additional definition shall apply throughout this Chapter 5.37:

“Excess compensation” means annual compensation to an employee in excess of \$1,000,000.

5.37.030. Determining excess compensation paid in Seattle to employees

For employees who receive excess compensation, the taxpayer shall determine the amount of excess compensation subject to the tax levied in this Chapter by calculating the portion of such excess compensation paid in Seattle using the method for making such determination with respect to compensation under Section 5.38.025, as in effect on January 1, 2024.

5.37.040 Tax Imposed – Rate

A. An excess compensation payroll expense tax is hereby levied upon and shall be collected from persons engaging in business within Seattle.

B. The amount of tax due shall be 5% of the excess compensation paid in Seattle for each employee of the taxpayer.

C. The tax imposed by this Chapter is levied on businesses. A business may not make any deductions from the employees' compensation to pay for this tax.

D. The tax imposed by this Chapter is in addition to the payroll expense tax levied under Chapter 5.38.

5.37.050 Exemptions from the tax

A. The following are exempt from the tax imposed by this Chapter:

1. Any individual who is an independent contractor for purposes of the business license tax under subsection 5.45.090.S and whose excess compensation is included in the tax paid by another business pursuant to Section 5.37.040.

2. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including the businesses identified in subsection 5.38.040.A.4, as in effect on January 1, 2024.

5.37.060 Allocation and apportionment

The provisions of Section 5.38.050, as in effect on January 1, 2024, shall have full force and application with respect to the tax imposed in this Chapter.

5.37.070 Allocation of proceeds

A. All revenue received through the tax levied in this Chapter shall be allocated as follows:

1. At least 95% of the tax revenue shall be allocated and promptly transferred to Seattle's Social Housing Developer, the Public Development Authority

Full text of Resolution 32148 - Attachment A

established by Initiative 135.

2. Up to 5% of the tax revenue may be allocated to administer the tax, but in no event shall the amount so allocated exceed \$2,000,000 per year.

5.37.080 When due

A. The tax imposed by this Chapter shall take effect as of January 1, 2025, and shall be due and payable in quarterly installments in accordance with Section 5.55.040.

B. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the excess compensation payroll expense tax at the same time as they file their final business license tax return under Chapter 5.45.

5.37.090 Tax in addition to other license fees or taxes

The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute, or ordinance, whether imposed or levied by the City, the State, or other governmental entity or political subdivision.

5.37.100 Tax part of operating overhead

It is not the intention of this Chapter that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

5.37.110 Rules and regulations

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter for the purpose of carrying out the provisions of this Chapter, including but not limited to rules to ensure that businesses subject to both the payroll expense tax under Chapter 5.38 and the tax under this Chapter are able to streamline and consolidate their filings for those taxes.

Section 2. Section 5.30.010 of the Seattle Municipal Code, last amended by Ordinance 126880, is amended as follows:

5.30.010 - Definition provisions

The definitions contained in this Chapter 5.30 shall apply to Chapters 5.35 (Commercial Parking Tax), 5.37 (Social Housing Tax), 5.38 (Payroll Expense Tax), 5.39 (Transportation Network Company Tax), 5.40

(Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and 5.55 (General Administrative Provisions) unless expressly provided for otherwise therein, and shall also apply to other chapters and sections as expressly indicated in each chapter or section. Words in the singular number shall include the plural and the plural shall include the singular. Words in one gender shall include all other genders.

Section 3. Subsection 5.30.060.C of the Seattle Municipal Code, which section was last amended by Ordinance 126880 is amended as follows:

5.30.060 Definitions, T—Z

C. “Taxpayer” means any person required by Chapter 5.55 to have a business license tax certificate, or liable for any license, tax, or fee, or for the collection of any tax or fee, under Chapters 5.35 (Commercial Parking Tax), 5.37 (Social Housing Tax), 5.38 (Payroll Expense Tax), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax), or who engages in any business or who performs any act for which a tax or fee is imposed under those chapters.

Section 4. Section 5.55.010 of the Seattle Municipal Code, last amended by Ordinance 126880, is amended as follows:

5.55.010 Application of chapter stated

Unless expressly stated to the contrary in each chapter, the provisions of this Chapter 5.55 shall apply with respect to the licenses and taxes imposed under this Chapter 5.55 and Chapters 5.35 (Commercial Parking Tax), 5.37 (Social Housing Tax), 5.38 (Payroll Expense Tax), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and under other titles, chapters, and sections in such manner and to such extent as indicated in each such title, chapter, or section.

Section 5. Subsection 5.55.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126880, is amended as follows:

Full text of Resolution 32148 - Attachment A

5.55.040 When due and payable—Reporting periods—Monthly, quarterly, and annual returns—Threshold provisions—Computing time periods—Failure to file returns

A. Other than any annual license fee or registration fee assessed under this Chapter 5.55, the taxes imposed by Chapters 5.35 (Commercial Parking Tax), 5.37 (Social Housing Tax), 5.38 (Payroll Expense Tax), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may use discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for punch boards and pull-tabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return. Effective January 1, 2021, tax returns and payments are due on or before the time as provided in RCW 82.32.045(1), (2), and (3).

Section 6. Subsection 5.55.060.A of the Seattle Municipal Code, which section was last amended by Ordinance 126880, is amended as follows:

5.55.060 Records to be preserved—Examination—Inspection—Search warrants—Estoppel to question assessment

A. Every person liable for any fee or tax imposed by this Chapter 5.55 and Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53 shall keep and preserve, for a period of five years after filing a tax return, such records as may be necessary to determine the amount of any fee or tax for which the person may be liable; which records shall include copies of all federal income tax and state tax returns and reports made by the person. All books, records, papers, invoices, ticket stubs, vendor lists, gambling games, and payout information, inventories, stocks of merchandise, and other data, including federal income tax and state tax returns, and reports needed to determine the accuracy of any taxes due, shall be open for inspection or examination at any time by the Director or a duly authorized agent. Every person's business premises shall be open for inspection or examination by the Director or a duly authorized agent. For the purposes of this Section 5.55.060, for the tax imposed by Chapter 5.53, "business premises" means wherever the person's business records and tax documents are maintained

and does not mean every site owned or operated by the person.

Section 7. Section 5.55.150 of the Seattle Municipal Code, which section was last amended by Ordinance 126880, is amended as follows:

5.55.150 Appeal to the Hearing Examiner

E. The Hearing Examiner shall ascertain the correct amount of the tax, fee, interest, or penalty due either by affirming, reversing, or modifying an action of the Director. Reversal or modification is proper if the Director's assessment or refund denial violates the terms of this Chapter 5.55, or Chapters 5.30, 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, or 5.53.

Section 8. Section 5.55.165 of the Seattle Municipal Code, last amended by Ordinance 126880, is amended as follows:

5.55.165 Director of Finance and Administrative Services to make rules

The Director of Finance and Administrative Services shall have the power and it shall be the Director's duty, from time to time, to adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.55, with Chapters 5.30, 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, or 5.53, or with law for the purpose of carrying out the provisions of such chapters, and it shall be unlawful to violate or fail to comply with any such rule or regulation.

Section 9. Subsections 5.55.220.A and 5.55.220.B of the Seattle Municipal Code, which section was last amended by Ordinance 126880, are amended as follows:

5.55.220 Unlawful actions—Violation—Penalties

A. It shall be unlawful for any person subject to the provisions of this Chapter 5.55 or Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53:

1. To violate or fail to comply with any of the provisions of this Chapter 5.55, or Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53, or any lawful rule or regulation adopted by the Director;
2. To make or manufacture any license required by this Chapter 5.55 except upon authority of the Director;
3. To make any false statement on any license, application, or tax return;
4. To aid or abet any person in any attempt to evade payment of a license fee or tax;

Full text of Resolution 32148 - Attachment A

5. To refuse admission to the Director to inspect the premises and/or records as required by this Chapter 5.55, or to otherwise interfere with the Director in the performance of duties imposed by Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53;

6. To fail to appear or testify in response to a subpoena issued pursuant to Section 3.02.120 in any proceeding to determine compliance with this Chapter 5.55 and Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53;

7. To testify falsely in any investigation, audit, or proceeding conducted pursuant to this Chapter 5.55;

8. To continue to engage in any business activity, profession, trade, or occupation after the revocation of or during a period of suspension of a business license tax certificate issued under Section 5.55.030; or

9. In any manner, to hinder or delay the City or any of its officers in carrying out the provisions of this Chapter 5.55 or Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, and 5.53.

B. Each violation of or failure to comply with the provisions of this Chapter 5.55, or Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, or 5.53 shall constitute a separate offense. Except as provided in subsection 5.55.220.C, any person who commits an act defined in subsection 5.55.220.A is guilty of a gross misdemeanor, punishable in accordance with Section 12A.02.070. The provisions of Chapters 12A.02 and 12A.04 apply to the offenses defined in subsection 5.55.220.A, except that liability is absolute and none of the mental states described in Section 12A.04.030 need be proved.

Section 10. Subsection 5.55.230.A of the Seattle Municipal Code, which section was last amended by Ordinance 126880, is amended as follows:

5.55.230 Denial, revocation of, or refusal to renew business license tax certificate

A. The Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any business license tax certificate issued under the provisions of this Chapter 5.55. The Director, or the Director's designee, shall notify such applicant or licensee in writing by mail in accordance with Section 5.55.180 of the denial of, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any business license tax certificate or other license issued under this Chapter 5.55 on one or more of the following grounds:

1. The license was procured by fraud or false

representation of fact.

2. The licensee has failed to comply with any provisions of this Chapter 5.55.

3. The licensee has failed to comply with any provisions of Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, 5.52, or 5.53.

4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.

Section 11. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 126880, is amended as follows:

6.208.020 Denial, revocation of, or refusal to renew business license

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director's designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.

2. The licensee has failed to comply with any provisions of this Chapter 6.208.

3. The licensee has failed to comply with any provisions of Chapters 5.35, 5.37, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, or 5.52.

4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.

5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.

6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.

7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either:

- a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect

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at the time of the final judgment order; or

b. If a timely appeal is made, the date of the final resolution of that appeal and any subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.

9. Pursuant to relevant provisions in Title 8, subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, 14.23.115.A.4, 14.26.210.A.4, 14.27.210.A.4, 14.28.210.A.4, 14.30.180.A.4, 14.33.210.A.4, and 14.34.210.A.4, subsection 100.240.A.4 of Ordinance 126091 , subsection 100.240.A.4 of Ordinance 126094 , and subsection 100.240.A.4 of Ordinance 126274 , the applicant or licensee has failed to comply, within 30 days of service of any settlement agreement, with any final order issued by the Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner under Title 8, Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, 14.33, and 14.34, Ordinance 126091 , Ordinance 126094 , and Ordinance 126274 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Title 8, Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, 14.33, and 14.34, Ordinance 126091, Ordinance 126094, and Ordinance 126274 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

Section 12. Section 12 of City of Seattle Initiative Measure 135 shall be amended as follows:

Section 12. City Startup Support.

The City shall provide the Public Developer limited

in-kind assistance as necessary for the first 18 months of startup, including but not limited to office space, staffing, supplies, insurance and bonding, and legal services. This in-kind support shall include hiring and retaining the Public Developer's chief executive officer and chief financial officer. This in-kind support shall not derive from any existing housing funding or reduce any City support for other housing projects. The City Council or the people acting through the initiative power shall ~~will~~ decide the amount of subsequent City support for the Public Developer, which may include funds from any source available to do so including, without limitation, the general fund, grant funds, and by issuing Councilmanic Revenue Bonds.

Section 13. Severability. The provisions of this ballot initiative are declared to be separate and severable. If any clause, sentence, paragraph, section, or portion of this ballot initiative, or the application thereof to any person or circumstances is held to be invalid, it shall not affect the validity of the remainder, or the validity of its application to other persons or circumstances.

Full text of Ordinance 127101

AN ORDINANCE relating to funding the Seattle Social Housing Developer; requesting that a special election be held on February 11, 2025 for submission to the qualified electors of the City of a proposition to fund the Seattle Social Housing Developer through the City's existing Payroll Expense Tax; amending Section 5.38.055 of the Seattle Municipal Code; proposing a ballot title; and ratifying and confirming certain prior acts.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.38.055 of the Seattle Municipal Code, last amended by Ordinance 126719, is amended as follows:

5.38.055 Payroll expense tax – Allocation of proceeds

A. Notwithstanding other provisions of this Section 5.38.055, for the first five annual budgets to which this subsection 5.38.055.A applies, and as this subsection 5.38.055.A may be subsequently renewed by future ordinance, \$10,000,000 of payroll expense tax revenues is allocated for the Seattle Social Housing Developer to acquire, develop, or rehabilitate social housing and provide administrative support to the Social Housing Developer. This amount shall increase commensurate with the rate of growth of the prior year's June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor. The amounts calculated shall be rounded to the nearest whole dollar. The Office of Housing will administer the allocation. The Housing Funding Policies adopted by ordinance, as amended, apply to the allocation unless noted otherwise in this subsection 5.38.055.A.

1. Up to five percent of the total amount allocated by this subsection 5.38.055.A may be used by the Seattle Social Housing Developer to pay for its administrative costs.

2. Funds to the Seattle Social Housing Developer may be used for acquisition, construction or rehabilitation costs, including pre-development costs, of social housing, provided that the City's funding may only be used for the costs for housing residents up to 80 percent area median income (AMI). For social housing developments that include housing for residents earning above 80 percent AMI and/or commercial or other nonresidential spaces, costs associated with non-residential uses and housing for residents above 80 percent AMI are not eligible for program funding under this subsection 5.38.055.A and shall be paid for from different fund sources.

3. Capital funds may be awarded by the Office of Housing in the form of either a grant or a loan, as determined at the discretion of the Director of the Office of Housing, taking into consideration the needs of the Seattle Social Housing Developer and the intent to protect the City's long-term investment in affordable housing for low-income residents.

4. The Seattle Social Housing Developer is deemed an eligible borrower under the Housing Funding Policies. However, the Seattle Social Housing Developer must have hired a chief executive officer and chief financial officer, or their equivalents, and demonstrated that it has adequate financial controls, as determined by the Director of the Office of Housing, prior to receiving capital funding under this subsection 5.38.055.A.

5. The Seattle Social Housing Developer will not have to compete in the Office of Housing's Notice of Funding Availability (NOFA) process for its dedicated portion of capital funds, but it will need to submit a complete application for an award, as defined in the application component section of the Housing Funding Policies. Any award will be conditional upon the Office of Housing's standard underwriting and review process for affordable

housing developments. The award amount is at the discretion of the Director, based upon the underwriting analysis of the project and the City's goal to leverage the maximum amount of outside funding for affordable housing projects.

6. If dedicated capital funds are not awarded to the Seattle Social Housing Developer within three years of their original allocation, they will be made available through the Office of Housing's regular NOFA process.

7. Consistent with current and future reporting on affordable housing projects funded by the Office of Housing, the Office of Housing shall, through its Annual Report to the City Council, report on awards made to the social housing developer. Information shall include: Office of Housing funding amounts at award, closing, and completion; number of units and affordability level at project award, closing, and completion; date of loan or award closing; and date of completion. For projects at closing and completion, the Office of Housing shall also report on the other non-City fund sources and amounts used to support the development of the project.

* * *

Section 2. The City Council and Mayor find that this ordinance is on the same subject as proposed in Initiative 137. The City Council has determined not to enact Initiative 137 and proposes this ordinance as an alternative measure dealing with the same subject pursuant to City Charter Article IV, Section 1. The City Council directs that the City Clerk file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting that the Director of Elections call and conduct a special election to be held on February 11, 2025, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance pursuant to City Charter Article IV, Section 1 and applicable law as an alternative measure different from Initiative 137 but dealing with the same subject. The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with responsibilities under RCW 29A.36.071 and RCW 29A.72.050. The following ballot title statement of subject and concise description are submitted to the City Attorney for consideration:

City of Seattle Proposition No. __ concerns funding the Seattle Social Housing Developer.

This measure would fund the Seattle Social Housing Developer by allocating funds from Seattle's existing Payroll Expense Tax.

Section 3. Certification of such proposition by the City Clerk to the King County Director of Elections in accordance with law prior to the date of such election on February 11, 2025, and any other act consistent with the authority and prior to the effective date of this ordinance, are ratified and confirmed.

Section 4. To the extent necessary to submit this ordinance to the vote of the people pursuant to Charter Article IV, subsection 1.D: this ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070. If approved by the people, this ordinance shall take full effect pursuant to Charter Article IV, subsections 1.F and 1.G.