

CRP SPECIAL STUDY SESSION AGENDA & Meeting Summary

June 29, 2023

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TIME	AGENDA ITEM	PRESENTER	MIN AT RECORDING
5:00pm	<p>Welcome & Introductions Noel Miller welcomed everyone to the meeting.</p> <p>Meeting was called on short notice but member will have access to the recording and meeting summary.</p>	Noel Miller	Minute 00
5:05pm	<p>Public Comment</p> <p>No public comment.</p>	Brian Brooke	Minute 1:20
5:10pm	<p>Presentation Water tax repeal proposal Noel introduced CM Alex Pedersen</p> <p>He noted that CM Pedersen's proposed change to utility taxes would be heard in the Finance or Budget Committee.</p> <p>Noel welcomed members: Amanda Richer, Raj Kumar, Gretchen Glaub</p> <p>CM Alex Pedersen presentation</p> <ul style="list-style-type: none"> • Legislation to remove tax on water; replacing with a capital gains tax that matches state law • Goal to have a non-regressive tax for our water; first time Seattle would have eliminated a regressive tax. • Two council bills - eliminate drinking water tax; create capital gains excise tax. Intention to be revenue neutral but goal to eliminate water tax. 	Councilmember Alex Pederson	Minute 2:00

	<ul style="list-style-type: none"> • Taxes are not necessarily attached to each but intended to replace lost revenue. • Washington has the most regressive taxes in the nation • Save average households \$100 annually • Washington Supreme Court allows the capital gains tax • Revenue Stabilization Workgroup is also talking about a capital gains tax for Seattle • Wouldn't go into effect until 2025 • Majority support of capital gains tax • CM Pedersen is asking for support from the CRP 		
5:45pm	<p>Discussion/Next Steps</p> <p>Noel welcomed members: Ebony Rose Frazier, Bobby Coleman, Maria McDonald, Tiffany Sevilla</p> <p>Brief summary of questions and comments:</p> <ul style="list-style-type: none"> • Noel: Typical savings and shows how commercial customers will benefit as well as residents; important information for the panel to consider • Maria: what opposition have you received for this so far? CM Pedersen complaints from people who don't want any new taxes; are people getting what they paid with their existing taxes; prefer he manage costs rather than suggest new revenue; and use capital gains tax for something else - budget deficit or something else • Gretchen comment in the chat: he did look at other utility taxes; practical reasons for choosing water; simpler to explain elimination of the water tax and within his committee • Ebony: What type of modeling has been done to ensure the capital gains tax will over the water tax? Modeling done by Central Staff with WA State Department of Revenue. It does include a cushion and some administration for City to collect. Revenue neutral with cushion built in. • Raj: please explain the exemptions. Retirement accounts and real estate transactions are exempted; mirroring state law. If you are retired and you sell a stock, you will be taxed if you more than \$250K in gain in one calendar year 	Noel Miller	Minute 15:40

	<ul style="list-style-type: none"> • Amanda comment in the chat: imagery of people drinking from a fountain is this a more concerted effort to have fresh water for the unhoused or those who do not have access. Adding that would change the lives of thousands of people • Noel welcomed Miki Sodos • Ebony: what is the stock market crashes and there is no revenue CM Pedersen feels the cost could be absorbed by the city budget and balanced with another source • Bobby: is the excise tax expected to grow with population? The way the tax on water would. CM Pedersen short answer is yes but modeling doesn't go out that many years but does assume growth • Maria question in the chat: does excise tax follow physical address of the owner? Trying to identify potential loop holes. Each account holder will receive some relief and renters will hopefully receive the break as well • Tiffany: do rate payers outside the city also receive the tax? CP: water tax would be repealed within the City of Seattle Brian Goodnight: savings would be felt by all retail customers (including outside the city). • CP: important to simplify; why is city hall taxing utilities; stake in the ground - don't like the fact that these utility taxes exist. CPR can write support only for eliminating the water tax. Could be considered an experiment as doesn't include solid waste or wastewater. • Tiffany: ability to administer tax CP: just adding to work DOR is already doing and there is a cushion to add to city administration. <p>Noel - when we put together a draft we may have more questions. Thank you to CM Pedersen.</p>		
6:00pm	<p>Discussion and Close</p> <p>Maria - is there an effort in the City to get the water fountains working. Dani - most water fountains are in City facilities and in Parks. SPU has some (27) not all are working but many are. Dani will talk to Parks about what kinds of facilities are available to the unhoused</p>	Noel Miller	51:31

	<p>Next Meeting</p> <ul style="list-style-type: none">• July 27 next meeting at North Transfer Station and will include a tour.• Agenda - making final deliberation over a letter and second part will be focused on beginning your letter for the business plan. Focusing on values.• Noel, Amanda, and Cheryl will work on an initial draft of the letter of support; have an initial draft to send around in a couple of weeks		Ends 58:54
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