

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; and amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code.

..body

WHEREAS, The City of Seattle intends to exercise its taxing authority, as granted by the

Washington State Constitution and as authorized by the Washington State Legislature;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Chapter 5.38 is added to the Seattle Municipal Code as follows:

Chapter 5.38 TAX ON CORPORATE PAYROLL

5.38.010 Administrative provisions

All of the provisions contained in Chapter 5.55 shall have full force and application with respect to taxes imposed under the provisions of this Chapter 5.38 except as may be expressly stated to the contrary herein.

5.38.020 Definitions

The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.38 except as may be expressly stated to the contrary herein. The following additional definitions shall apply throughout this Chapter 5.38:

1 “Business” has the same meaning as that term is defined in SMC 5.30.020. Depending on
2 the context, “business” may also mean a person engaging in business in Seattle.

3 “Compensation” means remuneration as that term is defined in RCW 50A.05.010, net
4 distributions, or incentive payments, including guaranteed payments, whether based on profit or
5 otherwise, earned for services rendered or work performed, whether paid directly or through an
6 agent, and whether in cash or in property or the right to receive property. “Compensation” does
7 not include payments to an owner of a pass-through entity that are not earned for services
8 rendered or work performed, such as return of capital, investment income, or other income from
9 passive activities.

10 “Tax on corporate payroll” means the payroll expense tax imposed by this Chapter 5.38.

11 “Employee” means any individual who performs work, labor, or personal services of any
12 nature for compensation paid by a business. For purposes of this Chapter 5.38, the term
13 “employee”:

14 1. Includes individuals who are members of limited liability companies, members
15 of professional limited liability companies, partners, other owners of pass-through entities, and
16 sole proprietors; and

17 2. Includes individuals who would be considered to be independent contractors
18 for purposes of the business license tax under subsection 5.45.090.S.

19 “Grocery business” means:

20 1. A business whose primary business is making retail sales of food and food
21 ingredients to consumers that are exempt from the retail sales tax under RCW 82.08.0293; and

1 2. A business whose primary business is making wholesale sales of food and food
2 ingredients that will be exempt from the retail sales tax under RCW 82.08.0293 when resold by
3 the purchaser.

4 For subsections (1) and (2) of this definition, “primary business” means that 75 percent of
5 the gross income of the business for purposes of calculating the business license tax under
6 Chapter 5.45 is attributable to that business activity.

7 “Local government entity” has the same meaning as that term is defined in RCW
8 4.96.010.

9 “Net distribution” means the draws from net income by any owner of a pass-through
10 entity. Taxable distributions are limited by the amount of draws or net income for that owner,
11 whichever is less. If the owner’s draw exceeds that individual’s net profit, the excess draw is a
12 return of capital. A return of capital is not taxable because it is a liquidation of an owner’s assets.

13 “Pass-through entity” includes a trust, partnership, corporation described in Subchapter S
14 of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability
15 partnership, professional corporation, and any other person or entity which is not subject to the
16 income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended,
17 or which is allowed a deduction in computing such tax for distributions to the owners or
18 beneficiaries of such person or entity.

19 “Payroll expense” means the compensation paid in Seattle to employees. Compensation
20 is paid in Seattle to an employee if:

- 21 a. The employee is primarily assigned within Seattle;

1 b. The employee is not primarily assigned to any place of business for the tax period and
2 the employee performs fifty percent or more of his or her service for the tax period in
3 Seattle; or

4 c. The employee is not primarily assigned to any place of business for the tax period, the
5 employee does not perform fifty percent or more of his or her service in any city, and
6 the employee resides in Seattle.

7
8 “Primarily assigned” means the business location of the taxpayer where the employee
9 performs his or her duties.

10 “Remuneration” has the same meaning as that term is defined in RCW 50A.05.010.

11 “Taxpayer” means any person who engages in any business in Seattle or who performs
12 any act for which a tax is imposed under this Chapter 5.38.

13 **5.38.030 Tax imposed—Rate**

14 A. A tax on corporate payroll is hereby levied upon and shall be collected from every
15 person engaging in business within Seattle.

16 B. The amount of the tax on corporate payroll due shall be the payroll expense of the
17 business subject to any deductions authorized under this Chapter 5.38, and multiplied by a rate of
18 0.7 percent.

19 C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not
20 make any deductions from employees’ compensation to pay for this tax.

21 **5.38.040 Allocation and apportionment**

22 A. The Director may adopt procedures to allow taxpayers who have payroll expenses
23 consisting of work done and services provided within and outside Seattle to use a representative

1 test period or conduct a survey based on factual data to arrive at a formula with which to
2 calculate the percentage of payroll expense attributable to Seattle. Any formula so established
3 will be subject to review and correction by the Director.

4 B. If payroll expense as defined in 5.38.020 does not fairly represent the extent of the
5 compensation paid by the taxpayer to its employees that is attributable to work performed or
6 services rendered in Seattle, the taxpayer may petition the Director for, or the Director may
7 require, the employment of another method to effectuate an equitable allocation and
8 apportionment.

9 C. Nothing in this Chapter 5.38 shall be construed as requiring the payment of any tax for
10 engaging in business when such payment would be in violation of the Constitution or a statute of
11 the United States or of the Constitution or a statute of the State of Washington. Notwithstanding
12 anything to the contrary herein, if imposition of the City's tax would place an undue burden upon
13 interstate commerce or violate other constitutional requirements, a taxpayer shall be allowed a
14 credit to the extent necessary to preserve the validity of the City's tax, and still apply the City's
15 tax to as much of the taxpayer's activities as may be subject to the City's taxing authority.

16 D. Businesses engaging temporary or contracted employees shall report and pay the tax
17 on the payroll expense of such temporary or contracted employees, whether or not they are from
18 an employment agency.

19 **5.38.050 Exemptions from the tax on corporate payroll**

20 A. The following are exempt from the tax on corporate payroll:

- 21 1. Any business having payroll expense, as defined under subsection 5.38.020, of
22 \$7,000,000 or less in the most recent complete calendar year.
23 2. Any business engaged in business in Seattle as a grocery business.

1 3. Any business having a formally recognized exemption from income tax
2 pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as
3 amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as
4 amended.

5 4. Any individual who is an independent contractor for purposes of the business
6 license tax under Section 5.45.090.S and whose compensation is included in the payroll expense
7 of another business subject to the tax imposed by Section 5.38.030.

8 5. Businesses that are preempted from taxation by cities pursuant to federal or state
9 statutes or regulations, including, but not limited to, the following:

10 a. Insurance businesses and their agents as defined by RCW 48.01.050 and
11 48.17.010, respectively, and whose total revenue is exempt from the business license tax per
12 Chapter 5.45.

13 b. Businesses that only sell, manufacture, or distribute motor vehicle fuel
14 as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

15 c. Businesses that only distribute or sell liquor as defined in RCW
16 66.04.010 and exempted in RCW 66.08.120.

17 d. Federal and state government agencies and any local governmental
18 entity.

19 B. Beginning on January 1, 2022, and on January 1st of every year thereafter, the
20 Director shall adjust the amount of the exemption in section 5.38.050.A.1 as follows:

21 (1) The amount shall increase commensurate with the rate of growth of the
22 prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as
23 published by the United States department of labor;

1 (2) If the annual change in the CPI-U is negative, no adjustment to the amount
2 must be made; and

3 (3) The amount calculated shall be rounded to the nearest whole dollar.

4 **5.38.060 Tax on corporate payroll—When due**

5 The tax on corporate payroll imposed by this Chapter 5.38 shall be due and payable in
6 accordance with Section 5.55.040. The tax on corporate payroll shall be due and payable
7 annually for the first tax year after the effective date of this Chapter. For subsequent tax years the
8 tax on corporate payroll shall be due quarterly. The Director may use discretion to assign
9 businesses to an annual reporting period. Forms for such filings shall be prescribed by the
10 Director. Persons discontinuing their business activities in Seattle shall report and pay the tax on
11 corporate payroll at the same time as they file their final business license tax return under
12 Chapter 5.45.

13 **5.38.070 Tax in addition to other license fees or taxes**

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

17 **5.38.080 Tax part of operating overhead**

18 It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in
19 business be construed as taxes upon the customers of such businesses, but that taxes shall be
20 levied upon, and collectible from, the person engaging in the business activities herein
21 designated and that such taxes or fees shall constitute a part of the operating overhead or cost of
22 doing business of such persons.

1 **5.38.090 Rules and regulations**

2 The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this
3 Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but
4 not limited to rules to determine the payroll expense attributable to work performed and services
5 rendered by employees in Seattle.

6 Section 2. Section 5.30.010 of the Seattle Municipal Code, last amended by Ordinance
7 125934, is amended as follows:

8 **5.30.010 Definition provisions**

9 The definitions contained in this Chapter 5.30 shall apply to the following chapters of the Seattle
10 Municipal Code: Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38
11 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission
12 Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48
13 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53
14 (Sweetened Beverage Tax), and 5.55 (General Administrative Provisions) unless expressly
15 provided for otherwise therein, and shall also apply to other chapters and sections of the Seattle
16 Municipal Code in the manner and to the extent expressly indicated in each chapter or section.
17 Words in the singular number shall include the plural and the plural shall include the singular.
18 Words in one gender shall include all other genders.

19 Section 3. Subsections 5.30.060.B and 5.30.060.C of the Seattle Municipal Code, which
20 section was last amended by Ordinance 125934, is amended as follows:

21 **5.30.060 Definitions, T—Z**

22 * * *

23 B. “Taxable gross income of the business and the value of products,” as used in Section
24 5.55.030 to determine the business license tax certificate fee, and “taxable gross income”

1 ((~~means~~)) mean the taxpayer’s total amount of gross proceeds of sale, gross income of the
2 business, and the value of products, less any deductions available to the taxpayer under Chapter
3 5.45.

4 C. “Taxpayer” means any “person,” as herein defined, required by Chapter 5.55 to have a
5 business license tax certificate, or liable for any license, tax, or fee, or for the collection of any
6 tax or fee, under Chapters 5.32 (Revenue Code), 5.35 (Commercial Parking Tax), 5.38 (Tax on
7 Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45
8 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business
9 Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53
10 (Sweetened Beverage Tax), or who engages in any business or who performs any act for which a
11 tax or fee is imposed under those chapters.

12 * * *

13 Section 4. Section 5.55.010 of the Seattle Municipal Code, which was last amended by
14 Ordinance 125934, is amended as follows:

15 **5.55.010 Application of chapter stated**

16 Unless expressly stated to the contrary in each chapter, the provisions of this Chapter 5.55 shall
17 apply with respect to the licenses and taxes imposed under this Chapter 5.55 and Chapters 5.32
18 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39
19 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax),
20 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax—Utilities), 5.50
21 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and
22 under other titles, chapters, and sections in such manner and to such extent as indicated in each
23 such title, chapter, or section.

1 Section 5. Subsection 5.55.040.A of the Seattle Municipal Code, which section was last
2 amended by Ordinance 125934, is amended as follows:

3 **5.55.040 When due and payable—Reporting periods—Monthly, quarterly, and annual**
4 **returns—Threshold provisions—Computing time periods—Failure to file returns**

5 A. Other than any annual license fee or registration fee assessed under this Chapter 5.55,
6 the taxes imposed by Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38
7 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission
8 Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48
9 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53
10 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may
11 use discretion to assign businesses to a monthly or annual reporting period depending on the tax
12 amount owing or type of tax. Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for
13 punch boards and pull-tabs shall be due and payable in monthly installments. Tax returns and
14 payments are due on or before the last day of the next month following the end of the assigned
15 reporting period covered by the return.

16 * * *

17 Section 6. Subsection 5.55.060.A of the Seattle Municipal Code, which section was last
18 amended by Ordinance 125934, is amended as follows:

19 **5.55.060 Records to be preserved—Examination—Inspection—Search warrants—Estoppel**
20 **to question assessment**

21 A. Every person liable for any fee or tax imposed by this Chapter 5.55 and Chapters 5.32,
22 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53 shall keep and preserve, for a
23 period of five years after filing a tax return, such records as may be necessary to determine the

1 amount of any fee or tax for which the person may be liable; which records shall include copies
2 of all federal income tax and state tax returns and reports made by the person. All books, records,
3 papers, invoices, ticket stubs, vendor lists, gambling games, and payout information, inventories,
4 stocks of merchandise, and other data, including federal income tax and state tax returns, and
5 reports needed to determine the accuracy of any taxes due, shall be open for inspection or
6 examination at any time by the Director or a duly authorized agent. Every person’s business
7 premises shall be open for inspection or examination by the Director or a duly authorized agent.
8 For the purposes of this Section 5.55.060, for the tax imposed by Chapter 5.53, “business
9 premises” means wherever the person’s business records and tax documents are maintained and
10 does not mean every site owned or operated by the person.

11 * * *

12 Section 7. Subsection 5.55.150.E of the Seattle Municipal Code, which section was last
13 amended by Ordinance 125934, is amended as follows:

14 **5.55.150 Appeal to the Hearing Examiner**

15 * * *

16 E. The Hearing Examiner shall ascertain the correct amount of the tax, fee, interest, or
17 penalty due either by affirming, reversing, or modifying an action of the Director. Reversal or
18 modification is proper if the Director’s assessment or refund denial violates the terms of this
19 Chapter 5.55, or Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or
20 5.53.

21 * * *

22 Section 8. Section 5.55.165 of the Seattle Municipal Code, which section was last
23 amended by Ordinance 125934, are amended as follows:

1 **5.55.165 Director of Finance and Administrative Services to make rules**

2 The Director of Finance and Administrative Services shall have the power and it shall be the
3 Director’s duty, from time to time, to adopt, publish, and enforce rules and regulations not
4 inconsistent with this Chapter 5.55, with Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.47,
5 5.46, 5.48, 5.50, 5.52, or 5.53, or with law for the purpose of carrying out the provisions of such
6 chapters, and it shall be unlawful to violate or fail to comply with any such rule or regulation.

7 Section 9. Subsections 5.55.220.A and 5.55.220.B of the Seattle Municipal Code, which
8 section was last amended by Ordinance 125934, are amended as follows:

9 **5.55.220 Unlawful actions—Violation—Penalties**

10 A. It shall be unlawful for any person subject to the provisions of this Chapter 5.55 or
11 Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53:

12 1. To violate or fail to comply with any of the provisions of this Chapter 5.55, or
13 Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53, or any lawful
14 rule or regulation adopted by the Director;

15 2. To make or manufacture any license required by this Chapter 5.55 except upon
16 authority of the Director;

17 3. To make any false statement on any license, application, or tax return;

18 4. To aid or abet any person in any attempt to evade payment of a license fee or
19 tax;

20 5. To refuse admission to the Director to inspect the premises and/or records as
21 required by this Chapter 5.55, or to otherwise interfere with the Director in the performance of
22 duties imposed by Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and
23 5.53;

1 6. To fail to appear or testify in response to a subpoena issued pursuant to Section
2 3.02.120 in any proceeding to determine compliance with this Chapter 5.55 and Chapters 5.32,
3 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53;

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

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

9 9. In any manner, to hinder or delay the City or any of its officers in carrying out
10 the provisions of this Chapter 5.55 or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48,
11 5.50, 5.52, and 5.53.

12 B. Each violation of or failure to comply with the provisions of this Chapter 5.55, or
13 Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53 shall constitute a
14 separate offense. Except as provided in subsection 5.55.220.C, any person who commits an act
15 defined in subsection 5.55.220.A is guilty of a gross misdemeanor, punishable in accordance
16 with Section 12A.02.070. The provisions of Chapters 12A.02 and 12A.04 apply to the offenses
17 defined in subsection 5.55.220.A, except that liability is absolute and none of the mental states
18 described in Section 12A.04.030 need be proved.

19 * * *

20 Section 10. Subsection 5.55.230.A of the Seattle Municipal Code, which section was last
21 amended by Ordinance 125934, is amended as follows:

1 **5.55.230 Denial, revocation of, or refusal to renew business license tax certificate**

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

- 9 1. The license was procured by fraud or false representation of fact.
10 2. The licensee has failed to comply with any provisions of this Chapter 5.55.
11 3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35,
12 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53.
13 4. The licensee is in default in any payment of any license fee or tax under Title 5
14 or Title 6.

15 * * *

16 Section 11. Subsection 6.208.020.A of the Seattle Municipal Code, which section was
17 last amended by Ordinance 125934, is amended as follows:

18 **6.208.020 Denial, revocation of, or refusal to renew business license**

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

1 The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208
2 on one or more of the following grounds:

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

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

5 3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35,
6 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, or 5.52.

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

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

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

13 7. The applicant or licensee is a person subject within the last ten years to a court
14 order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29
15 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of
16 either: a. The expiration of the time for filing an appeal from the final judgment order under the
17 court rules in effect at the time of the final judgment order; or b. If a timely appeal is made, the
18 date of the final resolution of that appeal and any subsequent appeals resulting in final judicial
19 affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C.
20 206 or 29 U.S.C. 207.

21 8. The applicant or licensee is a person subject within the last ten years to a final
22 and binding citation and notice of assessment from the Washington Department of Labor and
23 Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and

1 penalties assessed therewith were not satisfied within 30 days of the date the citation became
2 final and binding.

3 9. Pursuant to subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4,
4 14.20.080.A.4, 14.22.115.A.4, and 14.23.115.A.4, the applicant or licensee has failed to comply,
5 within 30 days of service of any settlement agreement, with any final order issued by the
6 Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner
7 under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 for which all appeal rights have
8 been exhausted, and the Director of the Office of Labor Standards has requested that the Director
9 deny, refuse to renew, or revoke any business license held or requested by the applicant or
10 licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the
11 violation(s) under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 are remedied.

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

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

16 * * *

17 Section 12. Severability. If any part, provision, or section of this ordinance is held to be
18 void or unconstitutional, all other parts, provisions, and sections of this ordinance not expressly
19 so held to be void or unconstitutional shall continue in full force and effect.

1 Section 13. Sections 1 through 12 of this ordinance shall take effect on January 1, 2021.

2 Section 14. This ordinance shall take effect and be in force 30 days after its approval by
3 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
4 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

5 Passed by the City Council the _____ day of _____, 2020,
6 and signed by me in open session in authentication of its passage this ____ day of
7 _____, 2020.

8 _____
9 President _____ of the City Council

10 Approved by me this _____ day of _____, 2020.

11 _____
12 Jenny A. Durkan, Mayor

13 Filed by me this _____ day of _____, 2020.

14 _____
15 Monica Martinez Simmons, City Clerk

16 (Seal)