

ORDINANCE NO. 26-1022

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, IMPOSING AND AUTHORIZING COLLECTION OF A LOCAL SALES AND USE TAX OF ONE HUNDREDTH OF ONE PERCENT (0.01%), AS AUTHORIZED IN RCW 82.14.542, TO PROVIDE FUNDING FOR HUMAN SERVICES PROGRAMS FOR THE PURPOSES AUTHORIZED BY LAW; ADDING A NEW CHAPTER TO TITLE 3 OF THE SEATAC MUNICIPAL CODE ENTITLED LOCAL SALES AND USE TAX FOR HUMAN SERVICES PROGRAMS; PROVIDING FOR ADMINISTRATION OF THE TAX, USE OF TAX REVENUES, AND SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in the 2026 legislative session, the Washington State Legislature approved Engrossed Substitute House Bill 2442 (Chapter 221, Laws of Washington 2026), including Section 202, codified at RCW 82.14.542 (the “Act”), authorizing cities and counties to impose a local sales and use tax up to 0.01 percent to provide funding for additional services that assist children and their families, including child care, perinatal support services, before-school and after-school based youth services, workforce capacity building, shelter and rental assistance, and client transportation, among others; and

WHEREAS, the City of SeaTac City Council finds that the authority granted by the Act may be exercised by councilmanic action, subject to any applicable state-law requirements, local charter requirements, referendum provisions, or other procedural conditions; and

WHEREAS, the City of SeaTac City Council has considered the public need for revenues to support additional services that assist human services programs, including those authorized by the Act; and

WHEREAS, the City of SeaTac City Council finds that imposing the tax authorized by the Act and this Ordinance will serve a public purpose by providing a dedicated revenue source for the purposes authorized therein and herein; and

WHEREAS, the City of SeaTac City Council desires to impose the tax described in this Ordinance at the rate of one hundredth of one percent (0.01%), commencing on January 1, 2027, by adding a chapter to the SeaTac Municipal Code and to provide for the administration and use of the resulting revenues as set forth herein;

**NOW, THEREFORE, THE CITY COUNCIL OF CITY OF SEATAC,
WASHINGTON, ORDAINS AS FOLLOWS:**

Section 1. Authority. This Ordinance is adopted pursuant to the authority granted to local governments under the Act and all other applicable provisions of Washington law.

Section 2. Purpose. The purpose of this Ordinance is to impose and authorize collection of the local sales and use tax described herein, dedicate the proceeds to lawful purposes authorized under the Act, and establish local administrative procedures for receipt, accounting, expenditure, and reporting of the revenues.

Section 3. Definitions.

“Act” means Chapter 221, Laws of Washington 2026, specifically Section 202, codified as RCW 82.14.542.

“Authorized Purposes” means the purposes for which revenues from the Tax imposed by this Ordinance may lawfully be used under the Act, as now enacted or hereafter amended, including providing additional services that assist children and their families, such as child care; perinatal support services; before-school and after-school based youth services that address mental, social, behavioral, and physical health; workforce capacity building; shelter and rental assistance; and client transportation.

“Tax” means the local sales and use tax imposed by this Ordinance at the rate or amount of 0.01 percent, subject to the limitations and requirements of the Act and applicable Washington law.

“Taxable Activity” means the transaction, activity, event, use, receipt, sale, or other taxable incident to which the Tax lawfully applies under the Act and applicable Washington law.

Section 4. Adoption and Imposition of Sales and Use Tax. There is hereby fixed and imposed a local retail sales and use tax in the amount of one hundredth of one percent (0.01%) of the selling price in the case of a sales tax, or value of the article used in the case of a use tax, upon all taxable retail sales and uses occurring within the corporate limits of the City of SeaTac, authorized to the full extent by the Act. A new Chapter of the SeaTac Municipal Code entitled “Local Use and Sales Tax for Human Services Programs” to be codified as SMC 3.96 in substantially the form attached hereto as Exhibit A as fully incorporated by reference is hereby adopted.

Section 5. Taxable Rate. The Tax shall be imposed at the rate or amount not to exceed 0.01% or such lower rate or amount as may be required to comply with applicable state-law limitations.

Section 6. Commencement of Collection. Collection of the Tax shall commence on January 1, 2027, or on the earliest practicable date thereafter permitted by applicable law and administrative requirements.

Section 7. Duration. The Tax shall remain in effect until repealed by Ordinance, unless earlier terminated, suspended, or modified by ordinance or by operation of law.

Section 8. Councilmanic Approval. The City of SeaTac City Council adopts this Ordinance as a councilmanic act to the extent permitted by the Act.

Section 9. Referendum Conditions. This ordinance is subject to referendum as set forth in SeaTac Municipal Code Chapter 1.10. A referendum petition to repeal this ordinance may be filed with the City Clerk within seven (7) days of adoption of this ordinance. Within ten (10) days of such filing, the City Clerk shall confer with the petitioner concerning form and style of the petition, issue the petition and identification number, and secure an accurate, concise, and positive ballot title from the City Attorney. The petitioner shall have thirty (30) days in which to secure the signatures of not less than fifteen percent (15%) of the registered voters of the City, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The City Clerk shall verify the sufficiency of the signatures on the petition and if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the City or at a special election ballot as provided under RCW 35.17.260(2).

The referendum procedures set forth in this ordinance shall apply and be exclusive to all instances for any City ordinance increasing the rate of the Tax and shall supersede the procedures provided under Chapter 35A.11 RCW, SMC 1.10.040 and all other statutory or ordinance provisions for initiative or referendum which might otherwise apply.

Section 10. Administration and Collection. The tax imposed by this Ordinance is authorized by the Act and shall be carried out in accordance with Chapter 82.14 RCW. The administration and collection of the tax shall be performed by the Washington State Department of Revenue in accordance with standard statutory procedures. The Finance Director or designee is authorized to administer and execute this Ordinance on behalf of the City of SeaTac and to take all actions reasonably necessary to implement the Tax. The Finance Director or designee is authorized to execute and deliver any notices, forms, contracts, interlocal agreements, certifications, or other documents required for administration and collection.

Section 11. County Credit Priority. This Ordinance is explicitly intended to establish first-priority collection status within the boundaries of the City of SeaTac. In accordance with RCW 82.14.542(3), if King County also adopts a resolution imposing a sales and use tax pursuant to the Act, the County must provide a credit against its tax under the Act for the City of SeaTac's Tax to the extent the total County and City tax rate under the Act would exceed 0.01 percent.

Section 12. Records and Accountability. The City of SeaTac shall maintain records sufficient to demonstrate that Tax revenues are received, accounted for, and expended for Authorized Purposes.

Section 13 Implementation Authority. The Finance Director or Designee is authorized to adopt forms, procedures, internal controls, and administrative interpretations necessary to implement this Ordinance.

Section 14. Corrections by Clerk. Upon approval of the City Attorney, the City Clerk and the code reviser are hereby authorized to make necessary corrections to this Ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 15. Severability. If any section, subsection, sentence, clause, phrase, or application of this Ordinance is held invalid or unconstitutional by a court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Ordinance or their application to other persons or circumstances. The City Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, and application thereof regardless of whether any one or more portions or applications are declared invalid or unconstitutional.

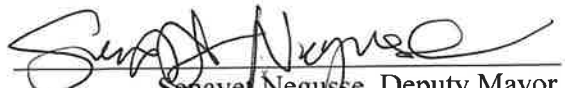
Section 16. Effective Date. This Ordinance shall take effect on January 1, 2027, following passage, approval, and publication or posting as required by law; provided, however, that collection of the Tax shall commence only on the date authorized under Section 6 of this Ordinance and applicable Washington law.

Section 17. Ratification. All acts taken prior to the effective date of this Ordinance that are consistent with and in furtherance of the purposes of this Ordinance are hereby ratified and confirmed.

ADOPTED by the City Council of the City of SeaTac, Washington, at a regular meeting of

the City Council held on this 13th day of October 2026.

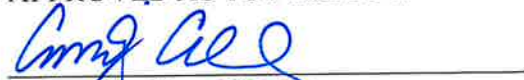
CITY OF SEATAC, WASHINGTON


Senayel Negusse, Deputy Mayor

ATTEST:


Kristina Gregg, City Clerk

APPROVED AS TO FORM BY:


Cindy Corsilles, City Attorney

[Effective date: 1/1/2027]

[HB 2442 - tax for Human Services]

Exhibit A

A new Chapter 3.96 is added to the SeaTac Municipal Code to read as follows:

Chapter 3.96 LOCAL USE AND SALES TAX FOR HUMAN SERVICES PROGRAMS

Sections:

- 3.96.010 Imposition of sales and use tax for human services programs.
- 3.96.020 Purpose of tax.
- 3.96.030 Administration and collection – Statutory compliance.
- 3.96.040 Human Services Programs sales tax fund.

3.96.010 Imposition of sales and use tax supporting Human Services Programs.

A. There is imposed a sales and use tax, as authorized by RCW 82.14.542, upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the City of SeaTac. The tax shall be imposed upon and collected from those persons from whom the State sales tax or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW.

B. The rate of the tax imposed by subsection (A) of this section shall be 0.01 percent, the maximum rate permitted to cities under RCW 82.14.542.

C. The tax imposed by subsection (A) of this section shall be in addition to all other existing sales and use taxes currently imposed by the City of SeaTac.

D. The Finance Director shall immediately provide notice to the state Department of Revenue of the tax imposed by this chapter as required by RCW 82.14.055 and is authorized to execute any necessary agreement with the state Department of Revenue concerning the collection and administration of the tax imposed by this chapter.

E. If, in accordance with RCW 82.14.542(3), the county in which the City is located imposes a sales and use tax, the county must provide a credit against the county's tax for the City's tax to the extent the total county and City tax rate under this chapter would exceed 0.01 percent.

F. The tax imposed by subsection (A) of this section shall take effect January 1, 2027.

3.96.020 Purpose of tax.

The City may use the moneys collected by the tax imposed under SMC 3.96.010 only for the purposes authorized in RCW 82.14.542, as it currently exists and may be amended. Such purposes include, but are not limited to, providing additional services that assist children and their families, such as childcare; perinatal support services; before-school and after-school based

youth services that address mental, social, behavioral, and physical health; workforce capacity building; shelter and rental assistance; and client transportation.

3.96.030 Administration and collection – Statutory compliance.

A. The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.542.

B. The Director of Finance is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this chapter, and to execute, for and on behalf of the City, any necessary agreement with the Department of Revenue for the collection and administration of the tax enacted by this chapter.

3.96.040 Human services programs sales tax fund.

A. There is hereby established a fund to be known as the human services programs sales tax fund, into which shall be paid all moneys received by the City in distribution of the tax collected pursuant to this chapter, in accordance with RCW 82.14.542. Moneys in the fund shall be used only for the purposes set forth in this chapter and authorized by law.