

ORDINANCE 1070

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING A SALES TAX OF 0.01% TO FUND SUPPORTING SERVICES THAT ASSIST CHILDREN AND THEIR FAMILIES AS PROVIDED IN RCW 82.14.542 AND ESTABLISHING A NEW ARTICLE, ARTICLE III SALES AND USE TAX TO FUND SUPPORTING SERVICES THAT ASSIST CHILDREN AND THEIR FAMILIES, IN SHORELINE MUNICIPAL CODE CHAPTER 3.15 SALES AND USE TAX.

WHEREAS, in 2026, the Washington State Legislature passed Engrossed Substitute House Bill 2442 providing local governments tax resources. Part II, Sections 201 and 202, of the Bill created a local sales and use tax to fund supporting services for children and families; and

WHEREAS, now codified at RCW 82.14.542, the City of Shoreline is authorized to impose, without a vote of the people, a tax not to exceed 0.01 percent of the selling price or value of an item, in addition to other taxes that are currently authorized by Washington State laws; and

WHEREAS, all monies collected under this tax must be used solely for the purpose of providing additional services that assist children and their families. Such services include, childcare; perinatal support services; before and after-school based youth services that address mental, social, behavioral, and physical health; workforce capacity building; shelter and rental assistance; and client transportation; and

WHEREAS, pursuant to RCW 82.14.542(3), King County must provide a credit against and tax it imposes under RCW 82.14.542(1) for the City tax to the extent the total county and city tax rate would exceed 0.01 percent; and

WHEREAS, the Shoreline City Council concurs with the Washington State Legislature that providing assistance services at the local level, particularly to children, is important to the success of the citizens of Shoreline and Washington and, that providing for services that reach children and their families early is one of the best ways to reduce long-term needs and make a difference in overall mental health status as well as reducing youth violence, drug use, and suicides; and

WHEREAS, the Shoreline City Council considered the implementation of the sales and use tax authorized by RCW 82.14.542 at its September 14, 2026 meeting, and considered any public comment received in regard to the imposition of this tax; and

WHEREAS, the Shoreline City Council has determined that authorizing collection of the sales and use tax set forth in RCW 82.14.542 to fund supporting services that assist children and their families is in the best interest of the City and its residents;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1: Amendment. Shoreline Municipal Code (SMC) Chapter 3.15 Sales and Use Tax is amended to add a new article, Article III Sales and Use Tax to Fund Supporting Services that Assist Children and their Families. SMC Chapter 3.15 Sales and Use Tax is amended as provided in Exhibit A to this Ordinance.

Section 2: Administrative Services Director. The Administrative Services Director, or designee, is authorized to provide any required notice to the Washington State Department of Revenue to effectuate the tax imposed by this Ordinance and to execute, for and on behalf of the City of Shoreline, any necessary documents with the Department of Revenue for the administration and collection of the tax imposed by this Ordinance.

Section 3: Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4: Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5: Publication and Effective Date. Summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect at 12:01 am Pacific Time on January 1, 2027.

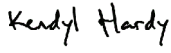
PASSED BY THE CITY COUNCIL ON SEPTEMBER 28, 2026.

Signed by:

DCFCDB23BBBA48B...
Betsy Robertson

Mayor
Mayor's Office

ATTEST:

Signed by:

99DEB8F3DAC2417...
Kendyl Hardy

Deputy City Clerk
Clerk's Office

APPROVED AS TO FORM:

DocuSigned by:

FB7FCD06033E40A...
Margaret King

City Attorney
City Attorney's Office

Date of Publication: October 1, 2026

Effective Date: January 1, 2027

Ordinance No. 1070 – Exhibit A

Shoreline Municipal Code

Chapter 3.15 Sales and Use Tax

Article III Sales and Use Tax to Fund Supporting Services that Assist Children and their Families

SMC 3.15.080 Administration and collection.

- A. The administration and collection of the tax imposed by this Article III shall be in accordance with the provisions of RCW 82.14.542 and the applicable provisions of chapters 82.08, 82.12, 82.14, and 82.23 RCW, along with all applicable procedures and regulation adopted by the Washington Department of Revenue, all as amended from time to time.
- B. The Administrative Services Director shall have the authority to adopt, publish, and enforce rules and regulations not inconsistent with this Article III or the authorizing law for the purpose of carrying out the provisions of this Article.
- C. The Administrative Services Director shall have the authority to enter into all necessary agreements with the Washington State Department of Revenue for the administration and collection of the tax imposed herein.

SMC 3.15.090 Imposition of sales and use tax for supporting services assisting children and families.

- A. Imposition. There is imposed a sales and/or use tax, separate and apart from any other sales and use tax imposed by the city, upon any taxable event, as defined in chapter 82.14 RCW, occurring with the City of Shoreline as authorized by RCW 82.14.542. The tax shall be imposed upon and collected from those persons who the State of Washington sales tax or use tax is collected pursuant to chapters 82.08 and 82.12 RCW.
- B. Tax Rate. The rate of tax imposed by this section shall be 0.01 percent of the selling price, in the case of a sales tax, or the value of the article used, in the case of a use tax.
- C. The City may use moneys collected by the tax imposed by this section solely for the purpose of providing additional services that assist children and their families consistent with RCW 82.14.542. Services include, but are not limited to:
 - 1. Child care;
 - 2. Perinatal support services;
 - 3. Before and after-school based your services that address mental, social, behavioral, and physical health;

Ordinance No. 1070 – Exhibit A

4. Workforce capacity building; shelter and rental assistance; and
5. Client transportation.

SMC 3.15.100 County credit against city tax. King County must provide a credit for the city tax against a county tax imposed pursuant to RCW 82.14.542 to the extent the total county and city tax rate would exceed 0.01 percent.

SMC 3.15.110 Inspection of records. Inspection of records for the tax imposed by this Article III shall be as provided in SMC 3.15.030.

SMC 3.15.120 Violation - Penalty. Violations of this Article III shall be as provided in SMC 3.15.040.

Certificate Of Completion

Envelope Id: 8DE9D159-A0E2-810A-828E-A13BCA2542E3

Status: Completed

Subject: Complete with Docusign: Ordinance 1070

Source Envelope:

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Jessica Simulcik Smith

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Shoreline, WA 98155

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Margaret King

mking@shorelinewa.gov

City Attorney

City of Shoreline

Security Level: Email, Account Authentication
(None)

Signature

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Electronic Record and Signature Disclosure:

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Betsy Robertson

brobertson@shorelinewa.gov

Mayor

Security Level: Email, Account Authentication
(None)

Signed by:

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Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 10/1/2026 7:26:15 PM

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Kendyl Hardy

khardy@shorelinewa.gov

Deputy City Clerk

Security Level: Email, Account Authentication
(None)

Signed by:

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Editor Delivery Events

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Agent Delivery Events

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Intermediary Delivery Events

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Completed	Security Checked	10/2/2026 8:52:36 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Shoreline (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Shoreline:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: clk@shorelinewa.gov

To advise City of Shoreline of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at clk@shorelinewa.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from City of Shoreline

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to clk@shorelinewa.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Shoreline

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to clk@shorelinewa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Shoreline as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Shoreline during the course of your relationship with City of Shoreline.



**City Council Regular Meeting
September 28, 2026
Agenda Item: 8(A)**

Agenda title: **Action on Ordinance No. 1070 – Authorizing a Sales and Use Tax of 0.01% to Fund Supporting Services That Assist Children and Their Families**

Department: Administrative Services Department

Presented by: Joe Brandstatter, Administrative Services Director

Action: Ordinance

Executive Summary

In 2026, the Washington State Legislature passed Engross Substitute House Bill 2442 which authorized cities and counties to adopt a 0.01% Local Sales and Use Tax for Children and Families. The tax provides a new, ongoing revenue source to support programs and services that improve outcomes for children, youth, and families, including behavioral health, early intervention, prevention services, and other eligible purposes established in state law.

If both a city and county impose the children and family services sales tax, the county must credit its tax so that the total tax collected does not exceed 0.01%. Staff understand that the King Council Budget and Fiscal Committee will discuss implementation of this tax at their September 23rd meeting. It is anticipated that this tax would be referred to the County Council for adoption at an upcoming meeting. If Shoreline adopts the tax, the City would receive the revenue and use it for eligible local purposes. If Shoreline does not adopt the tax but King County does, the County's tax would apply within Shoreline, with the revenue supporting eligible countywide purposes. In either case, the consumer would pay the same additional 0.01% sales tax.

For the City of Shoreline, the tax is estimated to generate approximately \$130,000 to \$145,000 annually. Staff has identified several potential uses for these revenues, including providing ongoing funding for youth behavioral health services for the Youth and Teen Development Program and providing funding for rental assistance low-income individuals and families. If enacted, the total tax rate in the City would increase from 10.50% to 10.51%. For perspective, on a \$100 taxable purchase, the total sales tax would increase by one cent from \$10.50 to \$10.51.

Proposed Ordinance No. 1070 (Attachment A) would authorize the 0.01% Local Sales and Use Tax for Children and Families. The City Council discussed proposed Ordinance No. 1070 at their meeting on September 14, 2026. Staff were directed by Council to return proposed Ordinance No. 1070 to Council tonight for potential action. Councilmembers also requested that staff provide amendatory language providing for enactment of Ordinance No. 1070 only if the King County Council were to enact their own legislation implementing the Sales and Use Tax for Children and Families.

Resource/Budgetary Implications

The proposed sales and use tax authorized by Ordinance No. 1070 would generate approximately \$130,000 to \$145,000 annually in new ongoing revenue. The revenue generated would be dependent on overall sales tax revenue and may increase or decrease based on economic conditions.

Recommendation

Staff recommend that the City Council adopt proposed Ordinance No. 1070 as initially proposed by staff on September 14, 2026.

Background

In the 2026 legislative session, the Washington State Legislature passed [Engrossed Substitute House Bill 2442](#), which provides local governments (counties and cities) with additional tax resources. Sections 201 and 202 of House Bill 2442 created a local sales and use tax to fund supporting services for children and families.

Beginning January 1, 2027, cities and counties can impose the new children and family services sales tax up to 0.01%. It is important to note that while many sales tax components are in one-tenth of one percent (0.1%) increments, the children and family services sales tax is one one-hundredth of one percent (0.01%).

The new state legislation, codified in RCW 82.14.542, provides cities with an additional revenue tool to support programs that improve the health, safety, and well-being of children, youth, and families. Eligible expenditures include behavioral health services, prevention and intervention programs, services for at-risk youth, and other qualifying activities identified in state law.

If both a city and county impose the children and family services sales tax, the county must credit its tax so that the total tax collected does not exceed 0.01%. Staff understand that the King Council Budget and Fiscal Committee will discuss implementation of this tax at their September 23rd meeting. It is anticipated that this tax would be referred to the County Council for adoption at an upcoming meeting. If Shoreline adopts the tax, the City would receive the revenue and use it for eligible local purposes. If Shoreline does not adopt the tax but King County does, the County's tax would apply within Shoreline, with the revenue supporting eligible countywide purposes. In either case, the consumer would pay the same additional 0.01% sales tax.

The Washington State Department of Revenue (DOR) requires 75 day notice to enact a new sales tax. In order for this tax to be enacted at the beginning of the 2027-2028 biennium, staff would need to notify DOR of the approved Ordinance no later than October 16, 2026. The sales tax would be effective January 1, 2027, with the first collections received by the city in March 2027.

Discussion

The legislation is intended to provide local governments with an ongoing funding source to invest in services that improve outcomes for children, youth, and families. City staff have identified two areas in which to use these funds. Both these areas have been funded through one-time revenue or grant funds in years past and were entirely dependent of the availability of those funding sources. This would allow for these critical programs to be funded on an ongoing basis:

Youth & Teen Center Mental Health Therapist (\$100,000 annually): The City of Shoreline's Youth and Teen Development Program contracts with the Center for Human Services to provide an onsite Mental Health Therapist at the Shoreline Teen Center and Ballinger Homes, addressing complex behavioral health needs for local youth. Launched in 2018 with King County grant funding, the City Council approved temporary funding for

2025–2026 to maintain services after the grant ended. Since 2022, the therapist has supported over 600 youths and remains Shoreline’s only free, no barrier mental health resource specifically for uninsured or underinsured adolescents. The therapist also provides essential consultation to City staff to manage challenging behavioral situations.

Hopelink Financial Assistance (\$30,000-\$45,000 annually): The remaining revenue generated would be a contribution to expand the current contract with Hopelink to help with rental assistance within the City of Shoreline. This type of assistance is currently funded; however demand far exceeds funding levels annually. Housing is a basic need identified in the 2024 City of Shoreline Human Services Plan and rental assistance can make a difference for a family at risk of losing their housing.

The Children and Family Services Sales Tax enactment would allow two programs that directly assist children and families to go from either unfunded or one-time funded to an ongoing program.

Discussion of Proposed Ordinance No. 1070

Proposed Ordinance No. 1070 (Attachment A) provides for the authorization of this additional sales tax and amends the Shoreline Municipal Code to add a section to the code regarding the tax. Exhibit A to proposed Ordinance No. 1070 provides the new code language implementing the sales tax. This code language provides for the administration, collection, eligible uses, and imposition of the tax.

The City Council discussed proposed Ordinance No. 1070 at their meeting on September 14, 2026. The staff report for this discussion can be found at the following link: [September 14, 2026, Staff Report - Discussion of Ordinance No. 1070 – Authorizing a Sales and Use Tax of 0.01% to Fund Supporting Services That Assist Children and Their Families](#).

Following the Council discussion, staff were directed by Council to return proposed Ordinance No. 1070 to Council tonight for potential action.

Proposed Amendment Language to Ordinance No. 1070

Councilmembers also requested that staff provide amendment language providing for enactment of Ordinance No. 1070 only if the King County Council were to enact their own legislation implementing the Sales and Use Tax for Children and Families. The proposed amendment would replace the current Section 5 of Ordinance No. 1070 with the following:

Section 5: Publication and Effective Date. Summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance takes effect five (5) days after the King County Council enacts legislation imposing the children and families services sales and use tax authorized under RCW 82.14.542 but in no case before 12:01 am January 1, 2027. If the King County Council fails to enact legislation, this Ordinance is null and void.

Amendatory Motion

If a Councilmember would like to amend proposed Ordinance No. 1070 to replace the current Section 5 of the Ordinance with the language above, staff recommends that Council use the following amendatory motion:

I move to amend proposed Ordinance No. 1070 by replacing Section 5 – Publication and Effective Date with the proposed amendment language for Section 5 included in tonight's staff report.

Staff recommends that Council not adopt this amendment language for Ordinance No. 1070. Based on conversations with King County, staff understands that County legislation to impose the tax is being drafted and is anticipated to be introduced and enacted soon. Making proposed Ordinance No. 1070 contingent upon King County action may prevent the City from meeting the October 15, 2026 deadline to notify the DOR for collection beginning January 1, 2027. If that deadline is missed, collection could not begin until April 1, 2027, at the earliest. As a result, programs proposed to be supported by this ongoing revenue source would either require one-time funding during the interim or would need to be delayed until tax collections begin.

Alternative Analysis

Council could also choose not to adopt proposed Ordinance No. 1070. This would mean the Children and Family Services Sales Tax would not be enacted. As noted above, it is anticipated that King County will adopt this tax meaning that the revenue would be used for countywide eligible costs. If this happens, the City tax rate will still increase from 10.50% to 10.51%. In either case, the total sales tax rate paid within Shoreline would increase by 0.01%; adopting the tax allows the City to retain the revenue for eligible purposes. Should neither the County nor the City enact the tax, the sales tax rate would remain at 10.50%.

Strategic Priority/Goal Addressed

Proposed Ordinance No. 1070 addresses the following Strategic Priority:

Strategic Priority 4: High Performing Government – *Maintain the public's trust and organizational credibility while ensuring long-term delivery of critical services through conservative financial management.*

Resource/Budgetary Implications

The proposed sales and use tax authorized by Ordinance No. 1070 would generate approximately \$130,000 to \$145,000 annually in new ongoing revenue. The revenue generated would be dependent on overall sales tax revenue and may increase or decrease based on economic conditions.

Recommendation

Staff recommend that the City Council adopt proposed Ordinance No. 1070 as initially proposed by staff on September 14, 2026.

Attachments

Attachment A: Proposed Ordinance No. 1070

Attachment A, Exhibit A: Proposed Shoreline Municipal Code Chapter 3.15 Sales and Use Tax, Article III - Sales and Use Tax to Fund Supporting Services that Assist Children and their Families

ORDINANCE 1070

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING A SALES TAX OF 0.01% TO FUND SUPPORTING SERVICES THAT ASSIST CHILDREN AND THEIR FAMILIES AS PROVIDED IN RCW 82.14.542 AND ESTABLISHING A NEW ARTICLE, ARTICLE III SALES AND USE TAX TO FUND SUPPORTING SERVICES THAT ASSIST CHILDREN AND THEIR FAMILIES, IN SHORELINE MUNICIPAL CODE CHAPTER 3.15 SALES AND USE TAX.

WHEREAS, in 2026, the Washington State Legislature passed Engrossed Substitute House Bill 2442 providing local governments tax resources. Part II, Sections 201 and 202, of the Bill created a local sales and use tax to fund supporting services for children and families; and

WHEREAS, now codified at RCW 82.14.542, the City of Shoreline is authorized to impose, without a vote of the people, a tax not to exceed 0.01 percent of the selling price or value of an item, in addition to other taxes that are currently authorized by Washington State laws; and

WHEREAS, all monies collected under this tax must be used solely for the purpose of providing additional services that assist children and their families. Such services include, childcare; perinatal support services; before and after-school based you services that address mental, social, behavioral, and physical health; workforce capacity building; shelter and rental assistance; and client transportation; and

WHEREAS, pursuant to RCW 82.14.542(3), King County must provide a credit against and tax it imposes under RCW 82.14.542(1) for the City tax to the extent the total county and city tax rate would exceed 0.01 percent; and

WHEREAS, the Shoreline City Council concurs with the Washington State Legislature that providing assistance services at the local level, particularly to children, is important to the success of the citizens of Shoreline and Washington and, that providing for services that reach children and their families early is one of the best ways to reduce long-term needs and make a difference in overall mental health status as well as reducing youth violence, drug use, and suicides; and

WHEREAS, the Shoreline City Council considered the implementation of the sales and use tax authorized by RCW 82.14.542 at its September 14, 2026 meeting, and considered any public comment received in regard to the imposition of this tax; and

WHEREAS, the Shoreline City Council has determined that authorizing collection of the sales and use tax set forth in RCW 82.14.542 to fund supporting services that assist children and their families is in the best interest of the City and its residents;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1: Amendment. Shoreline Municipal Code (SMC) Chapter 3.15 Sales and Use Tax is amended to add a new article, Article III Sales and Use Tax to Fund Supporting Services that Assist Children and their Families. SMC Chapter 3.15 Sales and Use Tax is amended as provided in Exhibit A to this Ordinance.**Section 2: Administrative Services Director.** The Administrative Services Director, or designee, is authorized to provide any required notice to the Washington State Department of Revenue to effectuate the tax imposed by this Ordinance and to execute, for and on behalf of the City of Shoreline, any necessary documents with the Department of Revenue for the administration and collection of the tax imposed by this Ordinance.

Section 3: Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4: Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5: Publication and Effective Date. Summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect at 12:01 am Pacific Time on January 1, 2027.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 28, 2026.

Mayor’s Office

ATTEST:

APPROVED AS TO FORM:

Clerk’s Office

City Attorney’s Office

Date of Publication:

Effective Date:

Shoreline Municipal Code

Chapter 3.15 Sales and Use Tax

Article III Sales and Use Tax to Fund Supporting Services that Assist Children and their Families

SMC 3.15.080 Administration and collection.

- A. The administration and collection of the tax imposed by this Article III shall be in accordance with the provisions of RCW 82.14.542 and the applicable provisions of chapters 82.08, 82.12, 82.14, and 82.23 RCW, along with all applicable procedures and regulation adopted by the Washington Department of Revenue, all as amended from time to time.
- B. The Administrative Services Director shall have the authority to adopt, publish, and enforce rules and regulations not inconsistent with this Article III or the authorizing law for the purpose of carrying out the provisions of this Article.
- C. The Administrative Services Director shall have the authority to enter into all necessary agreements with the Washington State Department of Revenue for the administration and collection of the tax imposed herein.

SMC 3.15.090 Imposition of sales and use tax for supporting services assisting children and families.

- A. Imposition. There is imposed a sales and/or use tax, separate and apart from any other sales and use tax imposed by the city, upon any taxable event, as defined in chapter 82.14 RCW, occurring with the City of Shoreline as authorized by RCW 82.14.542. The tax shall be imposed upon and collected from those persons who the State of Washington sales tax or use tax is collected pursuant to chapters 82.08 and 82.12 RCW.
- B. Tax Rate. The rate of tax imposed by this section shall be 0.01 percent of the selling price, in the case of a sales tax, or the value of the article used, in the case of a use tax.
- C. The City may use moneys collected by the tax imposed by this section solely for the purpose of providing additional services that assist children and their families consistent with RCW 82.14.542. Services include, but are not limited to:
 - 1. Child care;
 - 2. Perinatal support services;
 - 3. Before and after-school based your services that address mental, social, behavioral, and physical health;

4. Workforce capacity building; shelter and rental assistance; and
5. Client transportation.

SMC 3.15.100 County credit against city tax. King County must provide a credit for the city tax against a county tax imposed pursuant to RCW 82.14.542 to the extent the total county and city tax rate would exceed 0.01 percent.

SMC 3.15.110 Inspection of records. Inspection of records for the tax imposed by this Article III shall be as provided in SMC 3.15.030.

SMC 3.15.120 Violation - Penalty. Violations of this Article III shall be as provided in SMC 3.15.040.



Action on Ordinance No. 1070: Authorizing a Sales and Use Tax of 0.01% to Fund Supporting Services Children and Families

September 28, 2026

Presented by: Joe Brandstatter, Administrative Services Director

Children & Family Sales Tax

New authority provided in 2026 by the State Legislature

Allows cities and counties to impose a 0.01% sales and use tax

Revenue restricted to services supporting children, youth, and families

Councilmanic option to enact

Discussed at the September 14th Council Meeting

Financial Impact

Estimated to generate \$130,000–\$145,000 annually

Shoreline sales tax rate would increase from 10.50% to 10.51%

Equivalent to 1¢ on a \$100 taxable purchase

If both Shoreline and King County enact the tax, the combined tax cannot exceed 0.01%

Proposed Use of Revenue

Youth & Teen Mental Health Services

- Approximately \$100,000 annually
- Continues onsite behavioral health services currently supported with temporary funding
- Provides free, low-barrier services for local youth

Rental Assistance

- Approximately \$30,000–\$45,000 annually
- Expands existing rental assistance through Hopelink
- Addresses demand that currently exceeds available funding

Adoption Considerations and Next Steps

If King County adopts the tax and Shoreline does not, the tax would still apply in Shoreline, but revenue would support countywide services

City adoption allows Shoreline to retain the revenue for eligible local services

Deadline to notify Department of Revenue by October 16th to allow collection to begin January 1, 2027

Updates from September 14th Meeting

King County Budget and Fiscal Management Committee unanimously advanced legislation to adopt the 0.01% tax countywide to the full Council on September 23rd

King County indicates the intent to notify the Department of Revenue by the October 16th Deadline for January 1, 2027 implementation

The King County Executive has publicly indicated his support for this tax

Proposed Amendment Language

Adds a new section to implement the tax only if King Council adopts the Ordinance first:

Section 5: Publication and Effective Date. Summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance takes effect five (5) days after the King County Council enacts legislation imposing the children and families services sales and use tax authorized under RCW 82.14.542 but in no case before 12:01 am January 1, 2027. If the King County Council fails to enact legislation, this Ordinance is null and void.

Amendment Motion Language

I move to amend proposed Ordinance No. 1070 by replacing Section 5 –Publication and Effective Date with the proposed amendment language for Section 5 included in tonight's staff report.

Questions and Discussion