

**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

..title

AN ORDINANCE imposing a tax on engaging in the business of distributing sweetened beverages; adding a new Chapter 5.53 to the Seattle Municipal Code; and amending Seattle Municipal Code Sections 5.30.010, 5.30.025.K, 5.30.060.C, 5.55.010, 5.55.040.A, 5.55.060.A, 5.55.150.E, 5.55.165, 5.55.220, and 5.55.230.A.

..body

WHEREAS, despite significant efforts to provide an equitable education system, there persists an opportunity gap between white students and students of color, with Seattle Public Schools students of color meeting third grade reading standards at a rate 31 percent lower than white students; and

WHEREAS, Mayor Murray convened an Education Advisory Group to develop recommendations for the City and Seattle Public Schools to more vigorously address this persistent opportunity gap; and

WHEREAS, the Education Advisory Group delivered their recommendations to the Mayor on November 17, 2016, with the goal of helping 70 percent of African American/Black students and other students of color achieve success in college or a credential program, so they can take advantage of the economic opportunities in our vibrant city; and

WHEREAS, the recommendations of the Education Advisory Group were incorporated into the Seattle Education Action Plan, setting out a vision for eliminating the opportunity gap by focusing new and existing resources on effective approaches to improving academic results for all students; and

WHEREAS, in King County, an estimated 271,380 people, or 10 percent of households, cannot afford enough healthy food for their families, and nearly half of these households are not eligible for food stamp benefits; and

1 WHEREAS, The City of Seattle’s *Equity and Environment Agenda* identifies addressing the lack  
2 of access to healthy, affordable food as a major priority for communities in Seattle; and

3 WHEREAS, the Fresh Bucks program created by The City of Seattle has a mission to support  
4 consumption of more fruits and vegetables by low-income recipients of Supplemental  
5 Nutrition Assistance Program (SNAP) benefits, a program currently supported by  
6 expiring federal grants; and

7 WHEREAS, according to a 2017 working paper from the Hutchins Center on Fiscal & Monetary  
8 Policy at the Brookings Institution, children from birth to age five whose mothers  
9 received subsidies for nutritious food had better health and economic outcomes as adults,  
10 including lower incidence of metabolic syndromes; and

11 WHEREAS, according to “Early Childhood Experiences Shape Health and Well-Being  
12 Throughout Life,” a 2014 issue brief from the Robert Wood Johnson Foundation,  
13 participants in high-quality preschool and early childhood interventions not only have  
14 increased social, emotional, and cognitive development, but also lower risks for heart  
15 disease and diabetes in adulthood; and

16 WHEREAS, diabetes, obesity, and tooth decay have been on the rise for decades, and children,  
17 low income communities, and communities of color continue to be disproportionately  
18 affected; and

19 WHEREAS, sweetened beverages such as soft drinks, energy drinks, sweetened teas, and sports  
20 drinks offer little or no nutritional value; and

21 WHEREAS, according to a 2013 report in the American Journal of Public Health, in the past  
22 decade alone, per capita intake of calories derived from sweetened beverages has  
23 increased by approximately 30 percent; and

1 WHEREAS, high levels of sweetened beverage consumption have had tragic impacts on  
2 community health, including the rise of type 2 diabetes and the doubling of obesity rates  
3 among children in the past 30 years; and

4 WHEREAS, the City desires to impose a tax on the business of distributing sweetened beverages  
5 to raise revenue to fund services that will promote school readiness and learning, reduce  
6 the academic achievement gap, prepare graduates for college and the career of their  
7 choice, improve access to healthy food, and expand services for the birth-to-five  
8 population; NOW, THEREFORE,

9 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

10 Section 1. The City finds and declares that the education, well-being, and success of  
11 children in Seattle are of the utmost importance to creating a thriving and livable city for all  
12 residents. Therefore, the City intends to exercise its taxing authority, as granted by the  
13 Washington State Constitution and as authorized by the Washington State Legislature, to raise  
14 general revenue for the City and to use that revenue to provide broad-based public benefits for  
15 residents by funding programs that promote children’s education, well-being, and success.

16 Section 2. A new Chapter 5.53 is added to the Seattle Municipal Code as follows:

17 **Chapter 5.53 SWEETENED BEVERAGE TAX**

18 **5.53.010 Administrative provisions**

19 The provisions contained in Chapter 5.55 shall have full force and application with respect to  
20 taxes imposed under the provisions of this Chapter 5.53 except as may be expressly stated to the  
21 contrary herein.

1 **5.53.020 Definitions**

2 The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.53 except as  
3 may be expressly stated to the contrary herein. The following additional definitions shall apply  
4 throughout this Chapter 5.53:

5 “Caloric sweetener” means any substance or combination of substances that contains  
6 calories, is suitable for human consumption, and that humans perceive as sweet. Caloric  
7 sweeteners include, but are not limited to, sugar, sucrose, dextrose, fructose, glucose, and other  
8 monosaccharides and disaccharides; corn syrup or high-fructose corn syrup; honey; and any  
9 other such substance designated by the Director.

10 “Distribute” and “distribution” mean the transfer of ownership of, title to, or possession  
11 of products, where the recipient of the transfer offers the products for retail sale and the transfer  
12 is (1) from one person to another for consideration or (2) within a single non-natural person, such  
13 as from a wholesale or warehousing unit of a business to a retail outlet of the same business or  
14 between two or more employees or contractors of the same business. “Distribute” and  
15 “distribution” shall not mean the retail sale to a consumer. A distribution takes place where  
16 delivery to the recipient occurs.

17 “Distributor” means any person that distributes sweetened beverages in the City,  
18 regardless of whether the person also offers sweetened beverages for retail sale.

19 “Milk product” means:

20 A. Any beverage whose principal ingredient by weight is natural liquid milk secreted  
21 by an animal and consumed by humans. For purposes of this definition, “milk” includes natural  
22 milk concentrate and dehydrated natural milk, whether or not reconstituted; or

1           B.     Any plant-based substance or combination of substances in which (1) water and  
2 (2) grains, nuts, legumes, or seeds constitute the two greatest ingredients by volume. For  
3 purposes of this definition, plant-based “milk product” includes, but is not limited to, soy milk,  
4 almond milk, rice milk, coconut milk, hemp milk, oat milk, hazelnut milk, and flax milk.

5           “Nonalcoholic beverage” means a beverage suitable for human consumption and that is  
6 not liquor as defined in RCW 66.04.010.

7           “Non-caloric sweetener” means any artificial sugar substitute that is suitable for human  
8 consumption and that humans perceive as sweet, including but not limited to stevia, aspartame,  
9 sucralose, neotame, acesulfame potassium (Ace-K), saccharin, advantame, and any other such  
10 substance designated by the Director.

11           “Powder” means any solid mixture that contains a caloric or non-caloric sweetener and is  
12 intended to be used in the making, mixing, or compounding of a beverage for human  
13 consumption by combining the powder with water or other liquid.

14           “Sweetened beverage” means:

15           A.     Any nonalcoholic beverage intended for human consumption that:

- 16                   1.     Contains an added caloric or non-caloric sweetener; and  
17                   2.     Comes ready-to-consume in any closed or sealed glass, metal, paper, or  
18 plastic container or any other type of closed or sealed container, regardless of the container’s  
19 composition or size or the material or combination of materials used to make the container.

20           Sweetened beverages include, but are not limited to, soda, pop, cola, soft drinks, juice  
21 with added caloric and non-caloric sweeteners, sports drinks, flavored water, energy drinks, pre-  
22 sweetened coffee or tea, and nonalcoholic mix beverages that may or may not be mixed with  
23 alcohol.

1           B.     Any non-alcoholic syrup or powder that, in accordance with manufacturer’s  
2 instructions or industry practices, is used in the preparation of a beverage and that contains as an  
3 ingredient a caloric or non-caloric sweetener, including but not limited to syrup used to make  
4 fountain beverages.

5           C.     Notwithstanding subsections A and B of this definition, sweetened beverages  
6 shall not include:

- 7                   1.     Milk products;
- 8                   2.     A beverage consisting of 100 percent natural fruit or vegetable juice with  
9 no added caloric or non-caloric sweetener. For purposes of this Section 5.53.020, “natural fruit or  
10 vegetable juice” means the original liquid resulting from the pressing of fruits or vegetables, or  
11 the liquid resulting from the dilution of dehydrated or concentrated forms of the same;
- 12                   3.     Infant or baby formula;
- 13                   4.     A dietary aid, which means a liquid product manufactured for use as:
  - 14                           a.     An oral nutritional therapy for persons who cannot absorb or  
15 metabolize dietary nutrients from food or beverages;
  - 16                           b.     A source of necessary nutrition used as a result of a medical  
17 condition; or
  - 18                           c.     An oral electrolyte solution for infants and children formulated to  
19 prevent dehydration due to illness;
- 20                   5.     Unsweetened beverages to which the purchaser can add, or can request  
21 that a seller add, caloric sweetener or syrup at the point of sale; or
- 22                   6.     Sweetened medication.

1           “Syrup” means any liquid or frozen mixture of ingredients that contains a caloric or non-  
2 caloric sweetener and is intended to be used in the making, mixing, or compounding of a  
3 beverage for human consumption by combining the syrup with water or other liquid.

4 **5.53.030 Tax imposed; rates**

5           A.       There is imposed a privilege tax on every person engaging within the City in  
6 business as a distributor of sweetened beverages.

7                   1.       The amount of tax due shall be equal to the volume of sweetened  
8 beverages the distributor distributes in the City, multiplied by the applicable tax rate prescribed  
9 in subsection 5.53.030.B.

10                   2.       For sweetened beverages that are syrups or powders, the tax shall be  
11 calculated using the largest volume of beverage that would typically be produced by the amount  
12 of syrup or powder distributed based on the manufacturer’s instructions or industry practice.

13           B.       The tax rate shall be \$0.0175 per fluid ounce of sweetened beverages the  
14 distributor distributes.

15           C.       On January 1, 2019, and on January 1 of every year thereafter, the tax rate stated  
16 in subsection 5.53.030.B shall be increased consistent with the rate of growth of the prior year’s  
17 June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bremerton area as published  
18 by the United States Department of Labor. To calculate the new rate, the prior year’s rate will be  
19 multiplied by the sum of one and the annual percent change in the CPI-U. If the annual change in  
20 the CPI-U is negative, no adjustment shall be made for the year.

21 **5.53.040 Sweetened beverage tax—When due**

22 The tax imposed by this Chapter 5.53 shall be due and payable in accordance with Section  
23 5.55.040. Taxpayers filing their Chapter 5.45 business license tax on a quarterly basis shall file

1 the sweetened beverage tax on a quarterly basis, and taxpayers filing their business license tax on  
2 an annual basis shall file the sweetened beverage tax on an annual basis, on forms prescribed by  
3 the Director. Persons discontinuing their business activities in Seattle shall report and pay the  
4 sweetened beverage tax at the same time as they file their final business license tax return.

5 **5.53.050 Sweetened beverage tax—Exemption**

6 Persons that are exempt from taxation by Washington cities pursuant to federal or state  
7 statutes or regulations are exempt from the tax imposed by this Chapter 5.53.

8 **5.53.060 General excise tax in addition to other license fees and taxes**

9 A. The tax imposed by Section 5.53.030 is a general excise tax on the privilege of  
10 conducting certain business within the City. It is not a sales tax or use tax or other excise tax on  
11 the sale, consumption, use, or gross receipts of sweetened beverages.

12 B. The tax imposed by Section 5.53.030 shall be in addition to any license fee or tax  
13 imposed or levied under any other law, statute, or ordinance whether imposed or levied by the  
14 City, state, or other governmental entity or political subdivision.

15 **5.53.070 Sweetened beverage tax—Constitutional limitation**

16 Notwithstanding anything to the contrary in this Chapter 5.53, if imposition of the City's tax  
17 would place an undue burden upon interstate commerce or violate constitutional requirements, a  
18 taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's  
19 tax, and still apply the City tax to as much of the taxpayer's activities as may be subject to the  
20 City's taxing authority.

21 **5.53.080 Rules and regulations**

22 The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this  
23 Chapter 5.53 for the purpose of carrying out the provisions of this chapter, including but not



1 limited to rules to clarify the inclusion or exclusion of particular products, the calculation of tax  
2 for syrups and powders based on manufacturer’s instructions or industry practice, and the  
3 designation of caloric and non-caloric sweeteners.

4       Section 3. Services funded by the proceeds of the beverage tax are intended to promote  
5 school readiness and learning, reduce the academic achievement gap, prepare graduates for  
6 college and the career of their choice, improve access to healthy food, and expand services for  
7 the birth-to-five population. The proceeds shall be used to fund the recommendations contained  
8 in the Seattle Education Action Plan, food access strategies, funding for birth-to-five services,  
9 and administration costs related to implementation and collection of the soda tax. For the first  
10 four years, 20 percent of funds will be set aside for one-time expenditures. Investments shall be  
11 implemented according to this ordinance and the Implementation Plan, and shall include at a  
12 minimum the following programs:

- 13       A.     Family Engagement and Collaboration;
- 14       B.     Enhanced Before/After School Opportunities;
- 15       C.     School-Based Mentoring;
- 16       D.     Reducing Disproportionality in Discipline;
- 17       E.     Strategic School Investments in Middle and High Schools;
- 18       F.     Summer Learning;
- 19       G.     Workplace-Based Learning;
- 20       H.     Educator Workforce Diversity;
- 21       I.     13<sup>th</sup> Year;
- 22       J.     Food Access Strategies like Fresh Bucks and Fresh Bucks to Go;
- 23       K.     Birth-to-Five Programs; and

1 L. Administration to administer and collect the beverage tax.

2 In the annual City budget or by separate ordinance, the City’s legislative authority shall  
3 from year to year determine the services and funding allocations that will most effectively  
4 achieve the goals and outcomes in accordance with Chapter 35.32A RCW. Within a budget year,  
5 the City is authorized to reallocate unexpended and unencumbered funds from one core strategy  
6 to another by making operating budget transfers consistent with Seattle Municipal Code Section  
7 5.08.020.

8 Section 4. Oversight Committee. The Levy Oversight Committee, established by the City  
9 Council in Ordinance 123567, will review and make recommendations on the plans to implement  
10 and review programs funded with the beverage tax.

11 Section 5. Reporting. The Director of the Department of Early Learning and Education  
12 and the Director of the Office of Sustainability and Environment, or successor departments, will  
13 prepare and submit to the Oversight Committee, City Council, Mayor, and residents of Seattle  
14 annual progress reports on the implementation of the services funded by the beverage tax.

15 Section 6. Section 5.30.010 of the Seattle Municipal Code, last amended by Ordinance  
16 124833, is amended as follows:

17 **5.30.010 Definition provisions**

18 The definitions contained in this Chapter 5.30 shall apply to the following chapters of the Seattle  
19 Municipal Code: Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.40  
20 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business  
21 Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened  
22 Beverage Tax), and 5.55 (General Administrative Provisions) unless expressly provided for  
23 otherwise therein, and shall also apply to other chapters and sections of the Seattle Municipal

1 Code in the manner and to the extent expressly indicated in each chapter or section. Words in the  
2 singular number shall include the plural and the plural shall include the singular. Words in one  
3 gender shall include the other genders.

4 Section 7. Subsection 5.30.025.K of the Seattle Municipal Code, which section was last  
5 amended by Ordinance 124089, is amended as follows:

6 **5.30.025 Definitions, C—D**

7 \* \* \*

8 K. “Delivery” means the transfer of possession of tangible personal property between  
9 the seller and the buyer or the buyer’s representative. Delivery to an employee of a buyer is  
10 considered delivery to the buyer. Transfer of possession of tangible personal property occurs  
11 when the buyer or the buyer’s representative first takes physical control of the property or  
12 exercises dominion and control over the property. Dominion and control means the buyer has the  
13 ability to put the property to the buyer’s own purposes. It means the buyer or the buyer’s  
14 representative has made the final decision to accept or reject the property, and the seller has no  
15 further right to possession of the property and the buyer has no right to return the property to the  
16 seller, other than under a warranty contract. A buyer does not exercise dominion and control over  
17 tangible personal property merely by arranging for shipment of the property from the seller to  
18 itself. A buyer’s representative is a person, other than an employee of the buyer, who is  
19 authorized in writing by the buyer to receive tangible personal property and take dominion and  
20 control by making the final decision to accept or reject the property. Neither a shipping company  
21 nor a seller can serve as a buyer’s representative. It is immaterial where the contract of sale is  
22 negotiated or where the buyer obtains title to the property. Delivery terms and other provisions of  
23 the Uniform Commercial Code (Title 62A RCW) do not determine when or where delivery of

1 tangible personal property occurs for purposes of Seattle’s business license tax or Seattle’s  
2 sweetened beverage tax. For purposes of Chapter 5.53, the term “seller” as used in this  
3 subsection 5.30.025.K shall include any distributor and the term “buyer” as used in this  
4 subsection 5.30.025.K shall include any recipient who offers the delivered products for retail  
5 sale.

6 \* \* \*

7 Section 8. Subsection 5.30.060.C of the Seattle Municipal Code, which section was last  
8 amended by Ordinance 125083, is amended as follows:

9 **5.30.060 Definitions, T—Z**

10 \* \* \*

11 C. “Taxpayer” means any “person,” as herein defined, required by Chapter 5.55 to  
12 have a business license tax certificate, or liable for any license, tax, or fee, or for the collection of  
13 any tax or fee, under Chapters 5.32 (Revenue Code), 5.35 (Commercial Parking Tax), 5.40  
14 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business  
15 Tax—Utilities), 5.50 (Firearms and Ammunition Tax), ~~((and))~~ 5.52 (Gambling Tax), and 5.53  
16 (Sweetened Beverage Tax), or who engages in any business or who performs any act for which a  
17 tax or fee is imposed under those chapters.

18 \* \* \*

19 Section 9. Section 5.55.010 of the Seattle Municipal Code, last amended by Ordinance  
20 124833, is amended as follows:

21 **5.55.010 Application of chapter stated**

22 Unless expressly stated to the contrary in each chapter, the provisions of this Chapter 5.55 shall  
23 apply with respect to the licenses and taxes imposed under this Chapter 5.55 and Chapters 5.32

1 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.37 (Employee Hours Taxes), 5.40  
2 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business  
3 Tax—Utilities), 5.50 (Firearms and Ammunition Tax), (~~and~~) 5.52 (Gambling Tax), 5.53  
4 (Sweetened Beverage Tax), and under other titles, chapters and sections in such manner and to  
5 such extent as indicated in each such title, chapter or section.

6 Section 10. Subsection 5.55.040.A of the Seattle Municipal Code, which section was last  
7 amended by Ordinance 124833, is amended as follows:

8 **5.55.040 When due and payable—Reporting periods—Monthly, quarterly, and annual**  
9 **returns—Threshold provisions—Computing time periods—Failure to file returns**

10 A. Other than any annual license fee or registration fee assessed under this Chapter  
11 5.55, the tax imposed by Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax),  
12 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business  
13 Tax—Utilities), 5.50 (Firearms and Ammunition Tax), (~~and~~) 5.52 (Gambling Tax), and 5.53  
14 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may  
15 use discretion to assign businesses to a monthly or annual reporting period depending on the tax  
16 amount owing or type of tax. Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for  
17 punchboards and pulltabs shall be due and payable in monthly installments. Tax returns and  
18 payments are due on or before the last day of the next month following the end of the assigned  
19 reporting period covered by the return.

20 \* \* \*

21 Section 11. Subsection 5.55.060.A of the Seattle Municipal Code, which section was last  
22 amended by Ordinance 124833, is amended as follows:

1 **5.55.060 Records to be preserved—Examination—Inspection—Search warrants—Estoppel**  
2 **to question assessment**

3 A. Every person liable for any fee or tax imposed by this Chapter 5.55 and Chapters  
4 5.32, 5.35, 5.40, 5.45, 5.46, 5.48, 5.50, ~~((and))~~ 5.52, and 5.53 shall keep and preserve, for a  
5 period of five years after filing a tax return, such records as may be necessary to determine the  
6 amount of any fee or tax for which the person may be liable; which records shall include copies  
7 of all federal income tax and state tax returns and reports made by the person. All books, records,  
8 papers, invoices, ticket stubs, vendor lists, gambling games, and payout information, inventories,  
9 stocks of merchandise, and other data, including federal income tax and state tax returns, and  
10 reports needed to determine the accuracy of any taxes due, shall be open for inspection or  
11 examination at any time by the Director or a duly authorized agent. Every person’s business  
12 premises shall be open for inspection or examination by the Director or a duly authorized agent.

13 \* \* \*

14 Section 12. Subsection 5.55.150.E of the Seattle Municipal Code, which section was last  
15 amended by Ordinance 124833, is amended as follows:

16 **5.55.150 Appeal to the Hearing Examiner**

17 \* \* \*

18 E. The Hearing Examiner shall ascertain the correct amount of the tax, fee, interest  
19 or penalty due either by affirming, reversing, or modifying an action of the Director. Reversal or  
20 modification is proper if the Director’s assessment or refund denial violates the terms of this  
21 Chapter 5.55, or Chapters 5.30, 5.32, 5.35, 5.37, 5.40, 5.45, 5.46, 5.48, 5.50, ~~((or))~~ 5.52, or 5.53.

22 Section 13. Section 5.55.165 of the Seattle Municipal Code, last amended by Ordinance  
23 124833, is 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, Chapters 5.30, 5.32, 5.35, 5.40, 5.45, 5.46, 5.48, 5.50, ~~((or))~~  
5 5.52, or 5.53, or with law for the purpose of carrying out the provisions of such chapters, and it  
6 shall be unlawful to violate or fail to comply with ~~((;))~~ any such rule or regulation.

7 Section 14. Subsections 5.55.220.A and 5.55.220.B of the Seattle Municipal Code, which  
8 section was last amended by Ordinance 124833, 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  
11 or Chapters 5.32, 5.35, 5.40, 5.45, 5.46, ~~((5.45,))~~ 5.48, 5.50, ~~((and))~~ 5.52, and 5.53:

12 1. To violate or fail to comply with any of the provisions of this Chapter  
13 5.55, or Chapters 5.32, 5.35, 5.40, 5.45, 5.46, 5.48, 5.50, ~~((and))~~ 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  
16 upon 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  
19 or tax;

20 5. To refuse admission to the Director to inspect the premises and/or records  
21 as 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, 5.40, 5.45, 5.46, 5.48, 5.50, ~~((and))~~ 5.52, and 5.53;





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

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

14   \* \* \*

15           Section 16. If any part, provision, or section of this ordinance is held to be void or  
16 unconstitutional, all other parts, provisions, and sections of this ordinance not expressly so held  
17 to be void or unconstitutional shall continue in full force and effect.

18           Section 17. The tax imposed by Chapter 5.53 of the Seattle Municipal Code shall be  
19 assessed on every person engaging within the City in the business of distributing sweetened  
20 beverages beginning:

- 21           A.       January 1, 2018, if there is no election on a referendum on this ordinance pursuant  
22 to Seattle City Charter Article IV; or

1           B.     April 1, 2018, if, pursuant to Seattle City Charter Article IV, there is an election  
2 on a referendum on this ordinance.

1           Section 18. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4           Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2017,  
5 and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of  
6 \_\_\_\_\_, 2017.

7 \_\_\_\_\_  
8           President \_\_\_\_\_ of the City Council

9           Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

10 \_\_\_\_\_  
11           Edward B. Murray, Mayor

12           Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

13 \_\_\_\_\_  
14           Monica Martinez Simmons, City Clerk

15 (Seal)