

CLARK COUNTY  
STAFF REPORT



DEPARTMENT: County Auditor, County Treasurer, Budget Office

DATE: October 20, 2015

REQUEST: Approve Resolution \_\_\_\_\_ to eliminate sales tax funds 1009, 1023, and 1034 and deposit revenues directly into the General Fund

CHECK ONE:                      X   Consent                           CAO

**BACKGROUND**

Beginning in 1987, the Board of County Commissioners approved increases to the optional sales tax collected by the County. In 1987, Commissioners approve a 0.2% increase to the optional sales tax for Law Enforcement. In 1998, a 0.1% increase was approved for criminal justice, and in 2006, a 0.2% increase was approved for Law and Justice. To ensure the revenue was spent for the purpose of Law and Justice, the revenues were deposited in separate funds (1009, 1023, and 1034 respectively) and are subsequently transferred to the General Fund where the expenditures are made.

The main objective of creating different funds for the sales taxes was to track and report the new revenue to ensure it was appropriately expended. In 2014, revenues from the three sales tax sources totaled \$13.0M. Since the increases were approved, annual expenditures for public safety/judicial activities have increased from \$14.3M in 1988 to \$80.6M in 2014. The increase in expenditures ensures that all of the additional revenue is being spent on its intended purpose. Additionally, the language disallowing supplanting with the criminal justice sales tax was eliminated from the RCW's in 2010.

With the purpose of tracking the sales taxes fulfilled, three separate funds are no longer needed. The current process creates unnecessary work impacting the budgeting, accounting, and receipting of the revenues. Staff recommends that funds 1009, 1023, and 1034 be eliminated and sales tax receipts from the optional sales taxes be deposited directly into the General Fund.

**COMMUNITY OUTREACH**

These recommendations relate to an internal support matter. Community outreach or participation was not a consideration.

**BUDGET AND POLICY IMPLICATIONS**

No expense impact.

**FISCAL IMPACTS**

Yes (see attached form)                     No

**ACTION REQUESTED**

Approve resolution 2015-10-04

**DISTRIBUTION**

Please distribute copies of this report to the following:  
County Auditor  
County Treasurer  
Office of Budget

OCT. 20, 2015  
SR 194-15

*Handwritten initials*

*Handwritten signature*  
MARK GASSAWAY,  
FINANCE DIRECTOR

Approved: *Handwritten signature*  
CLARK COUNTY  
BOARD OF COMMISSIONERS

# FISCAL IMPACT ATTACHMENT

## Part I: Narrative Explanation

I. A – Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information

## Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
0001 General Fund	\$13,000,000	\$13,000,000	\$27,000,000	\$27,000,000	\$28,000,000	\$28,000,000
1009 Law Enforcement	(\$4,900,000)	(\$4,900,000)	(\$10,100,000)	(\$10,100,000)	(\$10,400,000)	(\$10,400,000)
1023 Criminal Justice	(\$3,200,000)	(\$3,200,000)	(\$6,800,000)	(\$6,800,000)	(\$7,200,000)	(\$7,200,000)
1034 Law and Justice	(\$4,900,000)	(\$4,900,000)	(\$10,100,000)	(\$10,100,000)	(\$10,400,000)	(\$10,400,000)
<b>Total</b>	0	0	0	0	0	0

II. A – Describe the type of revenue (grant, fees, etc.)

## Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
<b>Total</b>							

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
<b>Total</b>						

RESOLUTION NO. 2015-1004

A RESOLUTION closing out Clark County special revenue funds: 1009-special law enforcement fund, 1023 – CJA -1% sales tax fund and 1034 law & justice sales tax fund

WHEREAS, the main objective of creating different funds for the sales taxes was to track and report revenue to ensure it was properly expended; and

WHEREAS, Total revenues received in the special law enforcement/ law & justice sales tax funds are transferred to the General Fund on a monthly basis; and

WHEREAS, 2014 revenues from the three sales tax sources totaled \$13.0 million; and

WHEREAS, Annual expenditures for public safety/judicial activities have increased from \$14.3 million in 1988 to \$80.6 million in 2014; and

WHEREAS, Due to the fact that sales taxes are inadequate to pay the full cost of law enforcement, the purpose for segregating the sales tax revenue from general fund revenue no longer exists; now, therefore,

IT IS HEREBY ORDERED AND RESOLVED BY THE BOARD OF COUNTY COUNCILORS OF Clark County, STATE OF WASHINGTON, as follows:

1. Clark County Special Revenue Funds 1009, 1023 and 1034 will be closed upon approval of this resolution and within the 2015-2016 biennium.
2. As of January 1, 2016 all sales tax revenues currently in or being transferred to these funds will be deposited directly into the General Fund.

ADOPTED this 20<sup>th</sup> day of October, 2015

BOARD OF COUNTY COUNCILORS



David Madore, Chair

Jeanne E. Stewart, Councilor

Tom Mielke, Councilor