



CLARK COUNTY STAFF REPORT

DEPARTMENT: Auditor

DATE: 12/17/2013

X

REQUEST: Create a Real Estate and Property Tax Administration Assistance Fund (1039)

CHECK ONE: X Consent CAO

BACKGROUND

In October 2008, the County created the Real Estate Excise Tax Electronic Technology Capital Fund (Fund 3039), in accordance with RCW 82.45.180 (3)(b) and (c), which states, in part: "Through June 30, 2010, the county treasurer shall collect an additional five-dollar fee on all transactions required by the chapter... when received by the county treasurer, the funds shall be placed in a special real estate excise tax electronic technology fund held by the county treasurer to be used exclusively for the development, implementation, and maintenance of an electronic processing and reporting system for real estate excise tax affidavits...". The Treasurer's REET portal system was purchased with a portion of these funds. The remaining fund balance may be used for either capital or maintenance, per the RCW cited above.

In addition, sections (5)(b) and (c) of RCW 82.45.180 state, in part: "Beginning January 1, 2014, the county treasurer must continue to collect the additional five-dollar fee in subsection (3) ... when received by the county treasurer, the funds must be placed in a special real estate and property tax administration assistance account held by the county treasurer to be used for: (i) Maintenance and operation of an annual revaluation system for property tax valuation; and (ii) Maintenance and operation of an electronic processing and reporting system for real estate excise tax affidavits."

The \$5 fee which will be collected beginning January 2014 will be used for maintenance and operation of an annual revaluation system for the Assessor (PACS system), and maintenance and operation of the electronic transfer of excise fees from the County Treasurer to the State (SIRE e-REET system). Expenditures for maintenance costs may not be made from Fund 3039 as it is a capital fund. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, resources in a capital fund may only be used for the purchase of capital outlay or capital assets. A new special revenue fund will need to be set up to collect the fee beginning in January 2014, and to make any maintenance payments from the \$5 fee resource. Resources currently held in capital fund

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3039 which will be used to make e-REET maintenance payments must be moved to this special revenue fund, before any such payments can be made.

COMMUNITY OUTREACH

None - this is an administrative action.

BUDGET AND POLICY IMPLICATIONS

Our recommendation is that a new special revenue fund entitled "Real Estate and Property Tax Administration Assistance Fund" be set up, that all future collections of the \$5 fee are accounted for within this new fund and that the fund balance in the Real Estate Excise Tax Electronic Technology Capital Fund (Fund 3039) be transferred to the new fund. These resources will be expended for the purposes stated in RCW 82.45.180.

This action will provide for County compliance with GASB # 54 and Governmental Generally Accepted Accounting Principles (GGAAP).

FISCAL IMPACTS

Yes (see attached form) No

ACTION REQUESTED

The Auditor's Office requests that a new special revenue fund (1039) be created, that all new revenues collected by the County for this purpose are placed in the new special revenue fund, that the fund balance in the Real Estate Excise Tax Electronic Technology Capital Fund (Fund 3039) be transferred to the new fund, and that maintenance payments are made from this fund, in accordance with RCW 82.45.180.

DISTRIBUTION

Mark Gassaway, Finance Director
Robert Stevens, Budget Manager
John Payne, Deputy Treasurer



Name/Title
Finance Director

Approved: Dec. 17, 2013 SR 265-13
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

RESOLUTION NO. 2013-12-19

A RESOLUTION establishing a Real Estate and Property Tax Administration Assistance Special Revenue Fund to account for new fee revenues collected by the County and for the maintenance and operation of an annual revaluation system for property tax valuation and maintenance and operation of an electronic processing and reporting system for real estate excise tax affidavits, in accordance with RCW 82.45.180

WHEREAS, it has come to the attention of the Board of County Commissioners of Clark County, Washington, that a "Real Estate and Property Tax Administration Assistance" special revenue fund should be established for the Clark County Treasurer's Office, pursuant to RCW 82.45.180; and

WHEREAS, the activities of this fund under the state statute qualify the fund as a special revenue fund; now, therefore,

IT IS HEREBY ORDERED AND RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CLARK COUNTY, STATE OF WASHINGTON, as follows:

Section 1. A Real Estate and Property Tax Administration Assistance Fund, Fund No. 1039, is hereby established as a special revenue fund, pursuant to RCW 82.45.180 and Governmental Accounting Standards Board Statement No. 54, said fund to be administered by the Clark County Treasurer's office and expended by both the Clark County Treasurer's office and the Clark County Assessor's Office, as provided by law. Funds will be transferred by separate resolution.

Section 2. Copies of this resolution shall be filed with the Clark County Auditor, Clark County Treasurer, and in the records of the Board of County Commissioners of Clark County, Washington.

ADOPTED this 17 day of December, 2013.

Attest:

BOARD OF COUNTY COMMISSIONERS
FOR CLARK COUNTY, WASHINGTON

Deputy Jane Pedure
Clerk to the Board

By [Signature]
Steve Stuart, Chairman

Approved as to Form Only
ANTHONY GOLIK
Prosecuting Attorney
By [Signature]

By _____
Tom Mielke, Commissioner

By _____
David Madore, Commissioner