

## CLARK COUNTY STAFF REPORT

**DEPARTMENT:** Treasurer's Office

**DATE:** August 14, 2018

**REQUESTED ACTION:** The Clark County Treasurer's Office is requesting County Council approval of a resolution to distribute Public Utilities Tax revenues.

☒ Consent ☐ Hearing ☐ County Manager

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### BACKGROUND

The Treasurer's Office requests the Council authorize the distribution of monies received by Clark County from the state-imposed Public Utility Tax and collected Clark Public Utilities District. The tax applies to electric generating facilities of public utility districts (PUDs) for the privilege of operating. Although not stated in the statute, the tax is intended to be in lieu of property tax, since public utility districts are governmental entities and do not pay property taxes. The tax is levied by the state and collected by local PUD's; in addition, cities can also levy the tax, as allowed by RCW 54.28.070.

For the state-imposed PUD tax, receipts are shared with local taxing districts. Any incorporated city or town within the PUD's district is to receive not less than three-fourths of one percent (0.75%) of the gross revenue for their area.

Public Utility Districts file an annual return with the state by March 15 which contains the necessary information pertaining to their income and production data on power generated or sold by the district during the previous calendar year. The Department of Revenue calculates the amount of tax due and notifies the district of its liability by May 1. Payment is due by the PUD on June 1. Upon receipt of the tax, the Department of Revenue instructs the State Treasurer to disburse the receipts to the County Treasurer's for distribution to the local jurisdictions.

On the 2nd day of July, 2018, the County Treasurer's Office received a state distribution of \$4,402,431.99 associated with the State Public Utility Tax. The attached schedule reflects the amount of \$1,597,328.04 that the listed cities/towns will receive, and the County's General Fund will receive \$2,805,103.95. This calculation relies on the formula currently in place where each city receives three-fourths of one percent (0.75%) of the gross revenue for their area. Under this calculation the Clark County is receiving the maximum allowable distribution.

### COUNCIL POLICY IMPLICATIONS

RCW 54.28.090 requires the County legislative authority, the Clark County Council, to direct the County Treasurer in the distribution of these monies.

### ADMINISTRATIVE POLICY IMPLICATIONS

N/A

## COMMUNITY OUTREACH

N/A

## BUDGET IMPLICATIONS

YES	NO	
X		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

## BUDGET DETAILS

Local Fund Dollar Amount	
Grant Fund Dollar Amount	
Account	
Company Name	

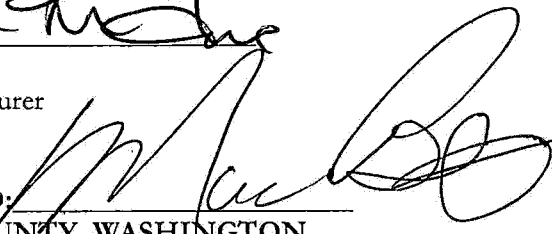
## DISTRIBUTION:

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>

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Sara Lowe  
Deputy Treasurer

APPROVED:   
CLARK COUNTY, WASHINGTON  
BOARD OF COUNTY COUNCILORS

DATE: Aug. 14, 2018

SR# 141-18



APPROVED: \_\_\_\_\_  
Shawn Hennessee, County Manager

DATE: \_\_\_\_\_

## BUDGET IMPACT ATTACHMENT

### Part I: Narrative Explanation

There is no budget impact. The county's share of revenues will be deposited in the General Fund, and has already been included in the adopted 2017-2018 budget. District disbursements do not require Council budget action.

### Part II: Estimated Revenues

Fund #/Title	2017-2018 Biennium		2019 Annual Budget		2020 Annual Budget	
	GF	Total	GF	Total	GF	Total
Total						

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

### Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	2017-2018 Biennium		2019 Annual Budget		2020 Annual Budget	
		GF	Total	GF	Total	GF	Total
Total							

III. B – Expenditure by object category

Fund #/Title	2017-2018 Biennium		2019 Annual Budget		2020 Annual Budget	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total						

RESOLUTION NO.2018- 08-03

**A resolution regarding the distribution to cities and the county of the privilege tax on the sale of electrical energy to consumers.**

1 WHEREAS, pursuant to RCW 54.28.020 public utility districts pay taxes imposed  
2 on the distribution and sale of electrical energy; and

3 WHEREAS, pursuant to RCW 54.28.090, the County legislative authority is to  
4 direct the County Treasurer to deposit funds to the credit of each taxing district in the  
5 County, other than school districts which receive their funds directly from the state,  
6 according to the manner it deems most equitable; provided that not less than an amount  
7 equal to three-fourths of one percent of the gross revenues obtained by a district from the  
8 sale of electrical energy with any incorporated city shall be remitted to such city; and

9 WHEREAS, the total amount of funds available for distribution to the incorporated  
10 cities and county for this period is \$4,402,431.99; and

11 WHEREAS, the County Council has considered this matter in a duly noticed  
12 open public meeting and have determined that the equitable basis of distributing the funds  
13 received from the privilege tax is such that each of the incorporated cities within the County  
14 shall receive an amount equal to three-fourths of one percent of the gross revenues obtained  
15 from the sale of electric energy within their boundaries; now, therefore,

16 IT IS HEREBY RESOLVED THAT THE FUNDS BE DISTRIBUTED AS  
17 FOLLOWS:

18	CITIES/TOWNS	AMOUNT
19	Vancouver	\$1,177,015.72
20	Washougal	88,996.10
21	Yacolt	7,733.20
22	Camas	184,243.85
23	Battle Ground	88,498.82

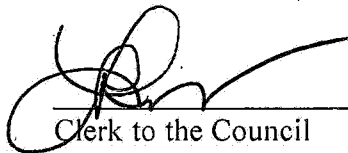
24 Ridgefield 38,697.17  
25 La Center 12,143.18  
26  
27 The remaining balance of \$2,805,103.95 shall be retained in the County general  
expense fund.

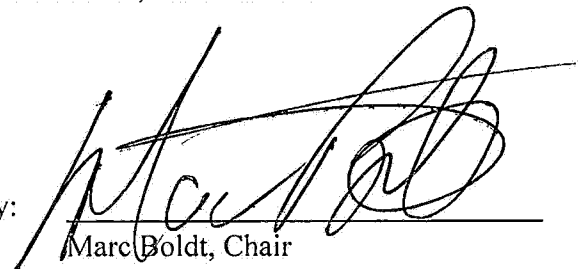
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ADOPTED this 14<sup>th</sup> day of August, 2018.

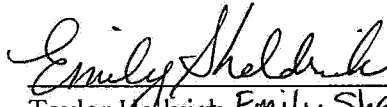
CLARK COUNTY COUNCIL  
FOR CLARK COUNTY, WASHINGTON

Attest:

  
Clerk to the Council

By:   
Marc Boldt, Chair

Approved as to form only:  
ANTHONY F. GOLIK

  
~~Taylor Mellick~~ Emily Sheldrick  
Civil Deputy Prosecuting Attorney

By: \_\_\_\_\_  
Jeanne E. Stewart, Councilor

By: \_\_\_\_\_  
Julie Olson, Councilor

By: \_\_\_\_\_  
John Blom, Councilor

By: \_\_\_\_\_  
Eileen Quiring, Councilor





**Commissioners**

Nancy E. Barnes  
Jim Malinowski  
Jane A. Van Dyke

**Chief Executive Officer/  
General Manager**

Wayne W. Nelson

March 13, 2018

Board of Clark County Commissioners  
1300 Franklin Street, 6<sup>th</sup> Floor  
Vancouver, Washington 98660

Re: 2018 State of Washington Tax on Public Utility Districts  
Based on fiscal year 2017

In accordance with Chapter 27(b), Laws of 1957, relative to the distribution of funds received from the State's tax on public utility districts, the following is the revenue from the sale of energy distributed to customers within the corporate limits of each city and town within Clark County:

City/Town	2017 Revenue	%
Unincorporated	\$ 146,597,570	40.77%
Vancouver	156,935,429	43.65%
Washougal	11,866,147	3.30%
Yacolt	1,031,093	0.29%
Camas	24,565,846	6.83%
Battle Ground	11,799,842	3.28%
Ridgefield	5,159,622	1.43%
La Center	1,619,091	0.45%
Total	<u>\$ 359,574,640</u>	

Sincerely,

Richard A. Dyer, Jr., CPA  
Director of Finance/Treasurer

RAD/ao

cc: Clark County Treasurer  
Clark County Auditor

## 2018 PUD PRIVILEGE TAX DISTRIBUTION

CITY/TOWN	2017 GROSS REVENUE	MINIMUM DISTRIBUTION (.75% OF REVENUE)
VANCOUVER	\$156,935,429.00	\$1,177,015.72
WASHOUGAL	\$11,866,147.00	\$88,996.10
YACOLT	\$1,031,093.00	\$7,733.20
CAMAS	\$24,565,846.00	\$184,243.85
BATTLEGROUND	\$11,799,842.00	\$88,498.82
RIDGEFIELD	\$5,159,622.00	\$38,697.17
LACENTER	\$1,619,091.00	\$12,143.18
	<u>\$212,977,070.00</u>	<u>\$1,597,328.04</u>
UNINCORPORATED	\$146,597,570.00	
TOTAL	<u><u>\$359,574,639.00</u></u>	

PUD Privilege Tax received	\$4,402,431.99
Less: Minimum Distribution to Cities	(\$1,597,328.04)

Balance to distribute to the General Fund per RCW 54.28.090	<u><u>\$2,805,103.95</u></u>
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			2018		
	FUND TRANSFER				
			DEBIT	CREDIT	
	CODING	DESCRIPTION			
	8751-000-000-203010-000	PUD TR	\$4,402,431.99		
	6601-000-000-208000-000			\$1,177,015.72	
	6621-000-000-208000-000			\$88,996.10	
	6628-000-000-208000-000			\$7,733.20	
	6620-000-000-208000-000			\$184,243.85	
	6688-000-000-208000-000			\$88,498.82	
	6624-000-000-208000-000			\$38,697.17	
	6625-000-000-208000-000			\$12,143.18	
	0001-000-000-335004-919			\$2,805,103.95	
		TOTAL	\$4,402,431.99	\$4,402,431.99	
		BATCH CONTROL			