

POLICY NOTE

Citizens' Guide to Benton County Proposition 14-5 to raise the sales tax to expand public safety programs

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May 2014

This is a summary of an in-depth study, "Citizens' Guide to Benton County Proposition 14-5 to raise the sales tax to expand public safety programs," available from www.washingtonpolicy.org.

Key Findings

1. Proposition 14-5 would increase the local sales tax rate by 0.3 percent and collect approximately \$9 million per year for increased public safety spending.
2. Unless extended, the sales tax increase would end on December 31, 2024.
3. Proposition 14-5 would increase the total sales tax paid by a family at the county's median income by \$87 per year.
4. If approved, the combined sales tax rate in Benton County would increase from 8.3 percent to 8.6 percent, tied for the third highest sales tax rate in Eastern Washington.
5. Along with proposing the 0.3 percent sales tax increase, a Citizen Advisory Committee also recommended Benton County implement performance audits.
6. Despite tying these recommendations together, no performance audits have been scheduled or are tied to the approval of Proposition 14-5.
7. Although law enforcement staffing and the crime rate have held steady over the past decade, gang activity is on the rise and is commanding more of the existing resources and time available for other public safety needs.

Introduction

In August 2014 citizens in Benton County will vote on Proposition 14-5, a proposal to increase the local sales tax rate by 0.3 percent and collect approximately \$9 million per year for increased public safety spending. Unless extended, the sales tax increase would end on December 31, 2024. The proposal would increase the total sales tax paid by a family at the county's median income level of \$64,898 by \$87 a year, or \$7.25 a month.

The new revenue would be split between Benton County and the cities of Kennewick, Richland, West Richland and Prosser for law enforcement staffing increases and various public safety programs, such as gang prevention and intervention. If approved, the combined sales tax rate in Benton County would increase from 8.3 percent to 8.6 percent, tied for the third highest sales tax rate in Eastern Washington.

When voting unanimously to place this proposal on the August ballot, Benton County Commissioners cited, among other reasons, an increase in the complexity and sophistication of criminal activity, the presence of gangs, the fact that approximately 79 percent of the County's general fund budget already goes to law enforcement and criminal justice programs, and the recommendations of a citizen advisory committee. Local law enforcement and officials say they support the sales tax increase.

How increased sales tax revenues would be spent

If approved, Proposition 14-5 would collect an estimated \$9 million a year from citizens for public safety spending. Benton County would receive approximately 60 percent of these funds, and the rest would be distributed among the cities based on population. According to the Benton County Law and Justice Council, if Proposition 14-5 is enacted Kennewick would be able to hire 15 new police officers, Richland six and West Richland three, along with additional support staff.

Benton County would use the money to hire more staff across the criminal justice system, including a new Superior Court Judge, seven new sheriff's officers and new prosecutors. Officials would also continue funding for the metro drug task force. There would also be an estimated \$368,000 reserve fund "for consideration of additional criminal justice programs." This level of reserve would equal approximately 4 percent of the \$9 million officials would collect annually.



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Published by
Washington Policy Center
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(206) 937-9691

Citizen Advisory Committee recommends tax increase

The Benton County Board of Commissioners established the Criminal Justice Sales Tax Citizen Advisory Committee to study the county's public safety programs. The Citizen Advisory Committee met in 2012 and 2013 and issued its final report in June 2013. The Committee recommended that: "... the Board of Commissioners place before the voters of Benton County a ballot measure for a criminal justice sales tax in the amount of 0.3 percent."

An early draft of the Committee's recommendations, however, proposed a 0.1 percent sales tax increase. When asked why the sales tax increase recommendation was increased to 0.3 percent, the Chair of the Citizen Advisory Committee declined to provide an explanation.

Along with proposing a 0.3 percent sales tax increase, the Committee said the county should "implement performance audits so the public can be assured their tax dollars are spent on programs and services which truly have the desired impact on crime and the factors which contribute to crime."

Despite the Citizen Advisory Committee tying these recommendations together, no performance audits have been scheduled, nor are they part of Proposition 14-5.

Conclusion

Although law enforcement staffing and the crime rate have held steady over the past decade, gang activity is on the rise and is commanding more of the existing resources and time available for other public safety needs. The approval of Proposition 14-5 would provide significant increases in spending on public safety programs. This has the potential to allow law enforcement to focus more on proactive crime fighting and to get ahead of growing gang activity.

While the decision to include a 10-year sunset of the 0.3 percent sales tax increase is commendable, the failure of the County to implement the Citizen Advisory Committee's additional recommendation for performance audits may be sending the wrong message to voters as they consider Proposition 14-5. Promising to use a small percentage of the estimated 4 percent reserve fund for performance audits would go a long way to communicating the County's commitment to being strong stewards of any additional tax resources the voters approve.

It is also concerning that no explanation was given by the Citizen Advisory Committee for radically jumping from a recommended 0.1 percent (\$3 million a year) to 0.3 percent (\$9 million a year) between its draft and final report. Additional details would help provide voters more context on why the independent Citizen Advisory Committee made this decision. Ultimately the final authority to propose a 0.3 percent or smaller sales tax increase was the responsibility of the Benton County Commissioners.

Providing for public safety is the highest priority for government. In weighing Proposition 14-5, voters will need to determine whether the case has been made for moving from an 8.3 percent sales tax rate to 8.6 percent, among the highest in Eastern Washington, and the impact this increase would have on future efforts to raise taxes in the cities, county, and area public facility districts. Voters will also have to consider whether enough accountability (like performance audits) has been built into the proposal to evaluate the impact the tax increase would have on actually improving public safety, as supporters promise.

To read the full Policy Brief, visit www.washingtonpolicy.org/research/open-government.