



Finance Committee

Briefing on Potential Revenue Sources

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Title

Briefing on Potential Revenue Sources

Recommended Action

Committee Recommendation:

Not referred to committee

City Manager Recommendation:

Receive the briefing and discuss. No action requested.

Report

Issue:

Whether to receive a briefing on potential revenue sources

Staff Contact:

Thomas Donnelly, Accounting Supervisor, Administrative Services Department 360.570.3816

Presenter(s):

Thomas Donnelly, Accounting Supervisor, Administrative Services Department

Background and Analysis:

Staff will present information related to a Commercial Parking Tax, a Cultural Access Tax, and other options for increasing tax revenues.

The Commercial Parking Tax authorizes cities to tax all commercial parking businesses. Proceeds from a commercial parking tax shall be used for transportation purposes only. The tax is subject to a voter referendum. Community Planning and Development's 2011 downtown area parking data reflects approximately 2,100 parking stalls charge for parking which could be subject to a commercial parking tax

The Cultural Access Tax is a voter-approved tax, which can be used to benefit or expand access to nonprofit cultural organizations. It requires a simple majority vote every seven years for the .1% of sales tax. If approved by the voters, staff estimates annual revenues of \$ 2.8 million. The revenues are restricted and can only be used for cultural purposes.

Other options to generate additional revenue include increases to the existing Utility Tax, Gambling Tax, and Business and Occupation Tax. Following is an estimate of how potential revenue may be generated:

- Utilities Tax (Water, Sewer, Storm, Garbage) are currently 10% and each 1% increase will generate approximately \$500,000. These are General Fund revenues and have no statutory tax limit or restrictions on use.
- Gambling Tax for punchboard and pull-tabs can be increased 2% (statutory limit) which is estimated to generate an additional \$80,000. These are General Fund revenues without a restriction on use.
- Business and Occupation (B&O) tax rates may be increased. These are General Fund revenues without a restriction on use. Staff will present B&O categories with revenue estimations.

Neighborhood/Community Interests (if known):

N/A

Options:

N/A

Financial Impact:

N/A

Attachments:

None