



Burien
WASHINGTON

ANNEXATION SALES TAX CREDIT

FINANCE DEPARTMENT

February 8, 2010

WHAT IS THE PURPOSE OF THE ORDINANCE?

- Levy .1% Sales and Use Tax within City of Burien to help offset those costs which exceed revenues for providing services in the annexation area.
- State provides a credit from their portion of the sales tax, so there is no increase to the residents.
- Tax revenue must be used for services within the annexation area.

CALCULATION

- Based on the State of Washington's Fiscal Year
 - July 1, 2010 to June 30, 2011
- Levy Limitations
 - .1% of levy for City if the population is between 10,000 and 20,000
- Or, up to the Revenue shortfall, *which ever is less*
- Proposed Annexation Budget and projected revenues and costs of providing services not calculated in same manner

REVENUE & EXPENDITURE PROJECTIONS

SOURCE/FUND	PROJECTED REVENUES	PROJECTED EXPENDITURES	SHORTFALL
General	\$3,127,000	\$4,717,000	(\$1,590,000)
Restricted Capital Maintenance Projects	\$282,000	\$2,040,000	(\$1,758,000)
Surface Water Management	\$1,082,000	\$447,000	\$635,000
Street	\$1,545,000	\$713,000	\$832,000
Equipment Acquisition	<u>\$0</u>	<u>\$250,000</u>	<u>(\$250,000)</u>
TOTAL	<u>\$6,036,000</u>	<u>\$8,167,000</u>	<u>(\$2,131,000)</u>

HOW MUCH DO WE GET?

- \$500,000
 - Population between 10k and 20K
- \$1,000,000
 - Population is over 20k
- Population is established by Special Annexation Census to be conducted in March and April.

- Questions?
- Action on Ordinance scheduled for February 22, 2010.