



## Mission Statement

Provide the most reliable, efficient & cost effective service to the citizens and local governments of Benton County, Washington.

## What Do We Do?

The Treasurer is a constitutional officer elected by the people for a four year term. The Treasurer provides independence from the Board of County Commissioners (the legislative branch) as well as all other various local governments that have the ability to levy taxes and assessments. This provides separation from the branch of government responsible for levying taxes to the branch charged with collecting tax revenues.

## How are We Set Up?

The County Treasurer's office is charged with the collection of various taxes along with acting as the "bank" for the county, school districts, fire districts, water districts, and other entities of local government. Tax adjustments authorized by the Assessor's office or courts are also processed and refunds are issued to the appropriate taxpayers. Excess monies not currently being used by the county or various local governments are "pooled" for investment with the emphasis of ensuring public monies are safe and secure, available when needed, and achieve the best rate of return after meeting the first two objectives.

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	2018	2017
Parcel Count	81,565	80,698
Full Time Employees	15	15
Operating Budget	\$1,343,602.50	\$1,343,602.50
Actual Costs	\$1,217,352.40	\$1,256,904.01
Investments	\$484,160,467.74	\$510,404,505.81

## Contact Us

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**[www.bentoncountytax.com](http://www.bentoncountytax.com)**

## Feedback

Please let us know what other information you would like to see included in this report by contacting the Benton County Treasurer at [Ken.spencer@co.benton.wa.us](mailto:Ken.spencer@co.benton.wa.us)



## Accomplishments

### County Road Improvement District

Our new tax software system has allowed us to integrate the County Road Improvement District (CRID) assessment records in an effort to provide better access to annual CRID assessment information and payments. We worked with the Information Technology department and Harris Govern to ensure accurate conversion of our data. In the short time we have been live, we have seen improvements in our day to day work flow. The new system has increased efficiency by eliminating duplicate processes and reduced resources. As we continue to utilize this new feature, we anticipate additional benefits for the County and taxpayers we serve.

### Lean Process Improvements

Improvements to our tax software system have given us the opportunity to streamline our Financial Reporting processes. We have evaluated them for unnecessary tasks, increased internal controls and improved the transparency. Our new assessment software allows us to transfer fund balances directly from the Treasurer's records into the Auditor's records. The goal is to provide quicker and more frequent balance updates for the local districts that we service (i.e. irrigation districts, school districts, etc.).



### Investments

By increasing the weighted average maturity (WAM) of our portfolio, we have achieved higher investment return with consideration of the current budgetary and economic cycles while staying in compliance with the Benton County Investment Policy's primary objectives of safety and liquidity. We will continue this process to achieve the maximum return on investment.

### State School Part 2

The 2017 legislature passed a new bill called the [Engrossed House Bill \(EHB\) 2242](#). The objective of this bill is to fully fund basic education for public schools. This bill adopted a rate-based system for the state levy that is scheduled to be in place until 2021. We have worked with our software vendor to update our tax software to calculate the revised levy rate as well as revise our statements to display it accurately. The updates were made and the statements were sent out to the county in a timely manner. Now that the changes have been applied, we will continue providing accurate, up to date tax information. In relation to this bill, ESHB 2140 states that all funds collected for Part 2 of the State school levy will be deposited into the Education Legacy Trust Account rather than the General Fund for the 2019 fiscal year.



For 2019, we have established the following goals in accordance with our mission statement and strategic plan:

### Purchasing Cards

We will be switching vendors for our purchasing cards. With the transition, we will develop policies that will ensure accurate, secure and efficient use of employee purchasing cards.

### Revenue Document Storage

We will be enhancing the revenue documentation process by attaching supporting information into the database. This will allow for validation of balances and information. The state auditor will also gain access to this information which will reduce audit costs and be beneficial for substantiating revenues for each budget year.

### Digital REET

We will be working with PACS and the State Archivist to digitally transmit REET records & images to the State Archivist rather than maintaining paper documents. This will expedite the documentation process and eliminate the need to store paper documents.

## Upcoming Legislation

We at the Benton County Treasurer's Office stay current with changes in legislation. We have summarized two of the recently passed bills that we find to be the most impactful:

### E2SHB 1105

**Purpose:** Enacts measures to protect taxpayers from home foreclosure, including requiring county treasurers to provide information including but not limited to tax statements that include information describing the senior citizens and disabled persons exemption and deferral property tax relief programs by March 15th of each year.

**Effective Date:** January 1st, 2020

**Link:** [Engrossed Second Substitute House Bill 1105](#)



### ESSB 5160

**Purpose:** This bill amends the eligibility requirements for the property tax exemption for senior citizens, individuals with disabilities, and veterans. It revises the income thresholds to qualify for exemption. It also revised criteria needed to be met for veterans to qualify for the exemption program.

**Effective Date:** Taxes levied for collection in 2020 and thereafter

**Link:** [Engrossed Substitute Senate Bill 5160](#)

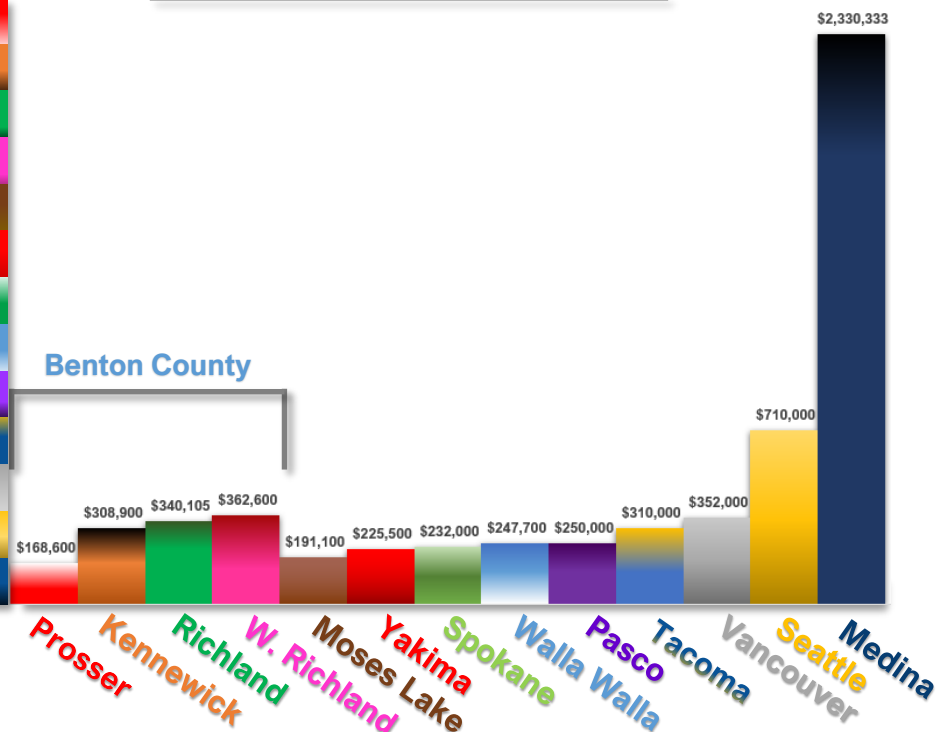
You can read more about the Washington State legislation at: [leg.wa.gov](http://leg.wa.gov)

## Compared to Our Neighbors

### Levy Rates Taxes

Prosser	12.06685	\$ 2,034
Kennewick	10.128054	\$ 3,129
Richland	11.18871	\$ 3,805
West Richland	12.40863	\$ 4,499
Moses Lake	12.146	\$ 2,321
Yakima	10.7813	\$ 2,431
Spokane	11.92685	\$ 2,767
Walla Walla	10.76083	\$ 2,665
Pasco	10.0353	\$ 2,509
Tacoma	12.96403	\$ 4,019
Vancouver	9.9089	\$ 3,488
Seattle	8.2853	\$ 5,883
Medina	7.92925	\$ 18,478

### Median Home Value



## Where Did Your Tax Money Go?

### Investments

We serve as the investment office for many local governments in addition to Benton County (schools, fire districts, etc.).

Total Investments as of 12/31/18 was \$484,160,467.74

The table below displays the activity based on production totals. More details about investments can be found on our website at: [Investment Reports](#)

### Treasurer's O&M Fund

In addition to the budget displayed (below), the Treasurer also has a revolving fund to help defray the cost associated with foreclosure of delinquent parcels and personal property.

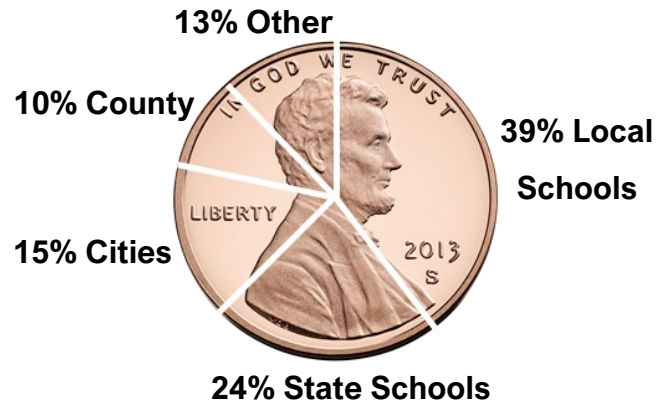
This revolving fund does not receive tax revenues and is funded by fees collected on the parcels in foreclosure.

Total balance in the revolving fund at year end was \$318,134.11

	2018	2017	% Change
Local Schools**	\$93,215,153	\$82,153,865	13%
State Schools**	\$56,682,862	\$37,439,998	51%
Cities	\$34,942,830	\$33,802,420	3%
County	\$23,125,515	\$22,446,599	3%
Fire	\$9,167,581	\$8,885,707	3%
Ports	\$6,424,219	\$6,244,231	3%
Road	\$6,492,838	\$6,339,655	2%
Library	\$3,842,601	\$3,745,953	3%
Special Assessments	\$2,106,257	\$1,891,241	11%
Hospital	\$2,191,798	\$2,152,648	2%
<b>Total</b>	<b>\$238,191,653</b>	<b>\$205,102,317</b>	<b>16%</b>

\*\* State School is a levy all property taxpayers pay for public schools and Local School is tax levy approved by voters for a specified school district.

Our Production	2018	2017
Tax Statements Sent	79,557	79,479
Property Transfers	7,917	7,577
General Receipts	35,701	36,294
Investments	25	50
Overpayments/Refunds	877	822



Payments Processed			Our Expenses	2018	2017
Mortgage Accounts	63,375	62,050	Salaries & Benefits	\$942,862.51	\$1,012,879.86
Mailed	34,245	30,189	Supplies & Services	\$89,387.99	\$74,290.31
In Office	25,415	25,341	Interfund	\$171,845.49	\$159,575.96
Web/ACH	13,687	12,749	<b>Total</b>	<b>\$1,204,095.99</b>	<b>\$1,246,746.13</b>

Independent Audit: The Treasurer's office does not issue separate financial statements, however, the Treasurer's office contributes a major portion of the revenues and statements included in the [Benton County Comprehensive Annual Financial Report \(CAFR\)](#). The 2017 audit report on the County's CAFR was issued 6/26/18. Complete financial information can be found at the County's website: [www.co.benton.wa.us](http://www.co.benton.wa.us).



## Economic Outlook

The Treasurer's Office monitors and analyzes local retail sales & use tax trends. Our office receives data from the Department of Revenue on a monthly basis. Analyzing data helps our office be more accurate when forecasting future revenue.

The additional three-tenths of one percent sales tax for Public Safety was approved January of 2015. The total collected by the county for 2017 was \$7,527,587.08. In 2018, Public Safety collections were \$8,018,114.09.

The Regular and Optional Sale and Use Taxes collected showed an increase of 15% from \$11,649,753.18 in 2017 to \$13,436,532.43 in 2018. Please see the corresponding graph for the 2018 breakdown.

### Impacts on Local Economy

**Population:** Increased from 198,171 to

**201,877**



**Unemployment Rate:** Decreased from 6.2% to

**5.9%**



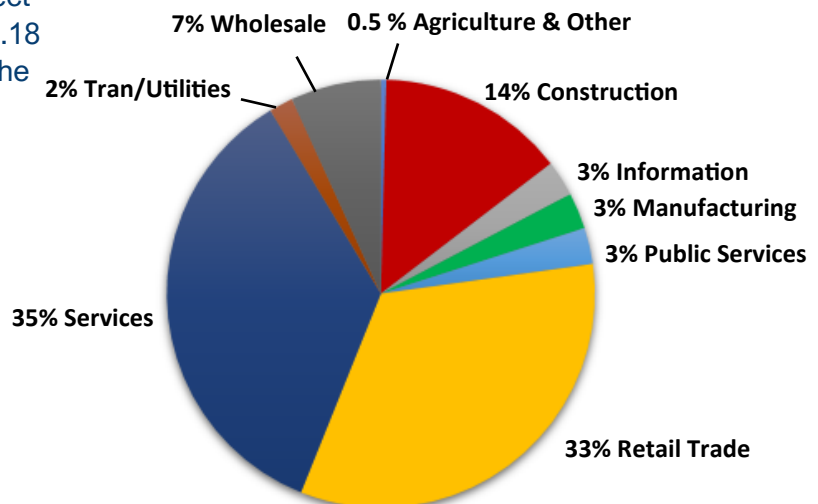
**Building Permits:** Decreased from 931 to

**929**



**New Construction:** Increased from \$410,990,933

**\$450,975,880**



### Significant Changes Since 2017

Services

↑ **39%**

Manufacturing

↑ **72%**

\*Transportation ↓ **28%**

\*Total tax reflects current expense receipted into the general fund, less refueling tax received. (Refueling tax is only received on odd number years.)

## Future Challenges

During the recent legislative session, the legislature passed ESSB 5998 establishing a Graduated Real Estate Excise Tax (REET) that will take affect as of January 1st, 2020. The local REET rate remains unchanged by this bill, but the state portion of REET will be a fixed rate within certain selling price thresholds. These thresholds will be updated by DOR every fourth year beginning in 2023. As these changes are made, we will have procedures in place to accommodate this new statute and ensure that tax rates are calculated correctly.

The Benton County Treasurer's Citizen-Centric Report provides a brief summary of the Benton County Treasurer's 2018 performance, following the Citizen-Centric Reporting model established by the Association of Government Accountants.

For more information about the Treasurer of Benton County, visit our website at:  
**[www.Bentoncountytax.com](http://www.Bentoncountytax.com)**

