

A Report to Our Citizens

Fiscal Year 2019

January 1st, 2019—December 31st, 2019



Kenneth Spencer

Benton County Treasurer

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.

Treasurer's Office	2019	2018
Parcel Count	81,755	80,845
Full Time Employees	15	15
Operating Budget	\$1,308,064.50	\$1,343,602.50
Actual Costs	\$1,214,636.25	\$1,256,904.01
Investments	\$499,965,928	\$484,160,467

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Feedback

Please let us know what other information you would like to see included in this report by contacting the Benton County Treasurer at:

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We accomplished a lot during the 2019 year. Below are just a few ways we provided great service, and accomplished our goals to provide transparency and information to the taxpayer.

Redesigned Website

The Benton County Treasurer's Office has its own standalone website maintained and updated in house. During the 2019 year, we overhauled our entire website to bridge the gap between the Treasurer's Office and the taxpayer. The updates included more organized information, easier access to helpful sources, user input fields for feedback and questions, user search bar to help navigate the website faster, and other visual updates to modernize the site. Make sure you take some time to browse around the site if you haven't because there could be some useful information to make your life easier when it comes to property taxes.

Revenue Document Storage

We set out this year to enhance the revenue documentation process by attaching supporting information into our database. This allowed for validation of balances and information to enhance the integrity and accuracy of our revenue records. The state auditor has gained access to this information which reduces audit costs and is beneficial for substantiating revenues for each budget year.

Statements Sent

Each year, tax statements are required by law to be distributed on or before March 15th. In 2019, we sent the statements at an early date of January 29th to give taxpayers a substantial amount of time to pay.

Performance Measures

Our Production	2019	2018
Tax Statements Sent	81,467	79,557
Property Transfers	8,131	7,917
General Receipts	34,914	35,701
Investments Made	24	25
Overpayments/Refunds	970	877

Payments Processed

Mortgage Accounts	63,706	63,375
Checks	34,059	21,878
Electronic	10,443	9,194
Automatic Withdrawal	4,168	4,551

2020 Goals

Updated Online Property Search

We have researched new and more efficient ways to search for properties online. During the 2020 year, we plan to improve our property search with the help of a new developer.

Develop a Quarterly Performance Report

We did some office cleaning and came across an old, outdated quarterly report. This had us thinking, why don't we try producing reports like this for current years? One of our goals for the 2020 year is to post quarterly performance reports that show how we are operating. These reports will be short, to the point, and taxpayer oriented.

Automatic Withdrawal - (ACH)

The Benton County Treasurer currently offers two methods of automatic withdrawals to pay property taxes, monthly and semi-annual. We intend to look for ways to improve upon and streamline our current processes.





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:

Engrossed Substitute Senate Bill 5998 (RCW 82.45.065)

Puts into place a graduated real estate excise tax (REET) for sale of real property. This replaces the state's flat rate levy of 1.28% with a tax scale based on the selling price of the property effective January 1st, 2020. These sale price thresholds will be adjusted by the Department of Revenue every four years starting January 1st, 2023. The [Revised Code of Washington \(RCW\) 82.45.060](#) provides full details on the new law.

Effective Date: January 1st, 2020

Who is Affected Most by this Bill?

Taxpayers who conduct real property transactions.

Engrossed Second Substitute House Bill 1105

Enacts measures to protect home owners from foreclosure. This requires Treasurers to provide information regarding the statewide foreclosure hotline, tax relief programs, and notification to each taxpayer whose taxes have become delinquent. The full details of the bill can be found by clicking [here](#).

Effective Date: January 1st, 2020

Who is Affected Most by this Bill?

Taxpayers whose property taxes have become delinquent.

You can read more about the Washington State legislation at: leg.wa.gov

Compared to Our Neighbors

Washington State is made up of 39 counties. Below you will find some information about how we compare to various surrounding counties' tax rates and values.

How Do We Compare?

Benton County sits right around the state average in terms of property tax rates. In relation to other counties total amount levied, though, Benton County places itself at number 9. Population and parcel count play a big role in the amount of property taxes collected. The biggest factor in terms of property taxes is value. Value drives the process behind levy rate certification. The assessor uses property values of the county to develop tax rates that will fulfill budgetary needs. Considering Benton County has a larger population than its neighboring counties, it would explain why we have a larger amount of taxes collected.

County	Avg Levy Rate	Taxes
Benton	11.36426996	\$219,068,272
Franklin	8.30936987	\$83,306,374
King	10.17877325	\$5,586,742,662
Spokane	11.6898	\$579,084,936
Yakima	11.09261965	\$210,828,147
Walla Walla	11.61774332	\$71,301,023
Pierce	11.32263973	\$1,352,160,053
Chelan	9.717238880	\$118,498,762
Island	8.458137242	\$133,805,042



Property taxes are collected by the Treasurer's Office and distributed to their respective district funds. The Assessor identifies and determines the value of all taxable real and personal property which is used to calculate the property tax amount due for each parcel. The Treasurer then issues statements informing the taxpayers what amount is to be collected for the year. Below you will find the distribution of property taxes once they are collected.

Significant Changes

A bill passed in 2018 that lowered the levy rate for state school for the 2019 tax year. Prior to this, a bill passed in 2017 ratified the state school levy from a budget-based system to a rate-based system for 2018-2021 tax years. What this means is that you pay a fixed rate per \$1,000 of property value. This legislature was passed in order to fully fund basic education for Washington State public schools.

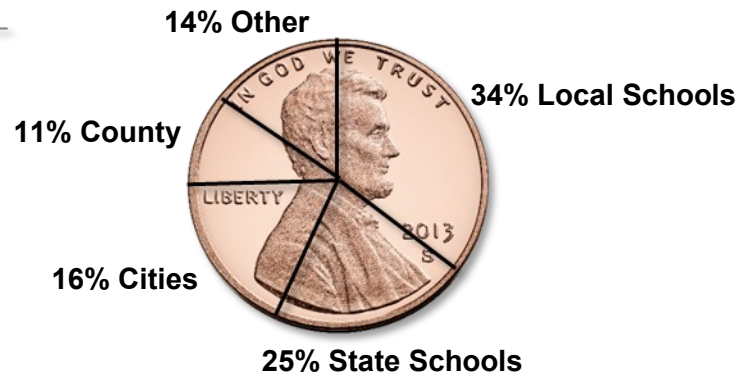
Tax Distribution	2019	2018	% Change
Local Schools**	\$ 74,923,058.00	\$ 93,215,153.00	-20%
State Schools**	\$ 54,847,114.00	\$ 56,682,862.00	-3%
Cities	\$ 35,924,099.00	\$ 34,942,830.00	3%
County	\$ 23,645,156.00	\$ 23,125,515.00	2%
Fire	\$ 10,215,786.00	\$ 9,167,581.00	11%
Ports	\$ 6,634,728.00	\$ 6,424,219.00	3%
Road	\$ 6,658,290.00	\$ 6,492,838.00	3%
Library	\$ 3,990,453.00	\$ 3,842,601.00	4%
Special Assessments	\$ 2,166,978.00	\$ 2,106,257.00	3%
Hospital	\$ 2,229,589.00	\$ 2,191,798.00	2%
Total	\$ 221,235,251.00	\$ 238,191,654.00	7%

** State School is a levy all property taxpayers pay for public schools.

** Local School is tax levy approved by voters for a specified school district.

How Your Tax Dollars are Distributed

The property taxes collected each year are distributed to their respective district funds within the county. These funds are used to provide public services for the county and its taxpayers. The property taxes are the largest revenue source for the county. The penny pie chart (right) displays the percentage of total property taxes distributed to each fund.



Our Expenditures

You would do well to hear that costs are kept to a minimum here at the Treasurer's Office. The chart (right) displays our costs in 2018 and 2019. As you can see, we have kept our purchases to a minimum.

Our Costs	2019	2018
Salaries & Benefits	\$930,533.00	\$942,862.51
Supplies & Services	\$68,384.18	\$89,387.99
Interfund	\$215,719.07	\$171,845.49
Total	\$1,214,636.25	\$1,204,095.99

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 2018 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.



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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.

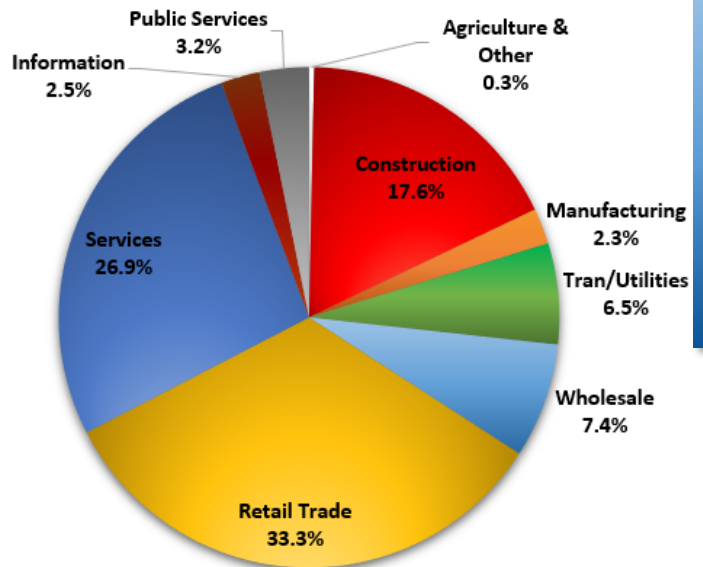
Sales and use taxes are the second largest revenue source for Benton County, second only to real & personal property taxes. The pie chart on the right displays the breakdown of the collected sales and use tax for the 2019 tax year. The total collected for 2019 was \$10,957,880.

This was a decrease from 2018. The amount generated from services was cut in half. What this means is less money for the county to provide service to taxpayers.

Impacts on Local Economy

With the population of Benton County rising and the decreasing unemployment rate, the economy will continue to thrive. Due to our flourishing economy, we have seen changes in new construction around the county. All of these factors work well together to create great synergy for the area which in turn develops a positive feedback loop.

New construction means more added value to our area as well which will increase total taxes levied which in turn will provide more services for the county such as school funding, road work, capital projects and more.



Population: Increased from 198,171 to

201,877



Unemployment Rate: Decreased from 5.9% to

5.4%



Building Permits: Decreased from 929 to

895



New Construction: Decreased from \$450,975,880

\$367,672,650



Future Challenges

As of late, fraud and phishing attempts have been on the rise. Benton County employs a team of well trained information technology (IT) specialists who assist in defending our office from electronic attacks. The rapid acceleration of technology development puts our office at greater risk. It is our job as employees for the county to be up to date on this technology as well as methods of fraud and phishing attempts. Most attacks are successful due to user error, not technology. With the help of our IT department, our employees will be versed in ways to counter these attempted attacks as well as put security measures in place to assist in safeguarding taxpayer money and information.

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

