

Gelder seeks sales tax hike for public safety

By Elisha Meyer Kitsap News Group • April 26, 2023 1:30 am

With less than a month to go before his resignation, Kitsap Commissioner Robert Gelder is hurrying to address "dire circumstances" within the county by pushing for a May 8 vote to place a three-tenths of a percent public safety sales tax on the primary ballot Aug. 1.

The possibility of a tax was initially hinted at by Sheriff John Gese, who told the Kitsap Daily News in January that a growing population and tight funding has the office struggling to keep up with present-day expectations and a tax would generate the additional funding needed.

Aside from that, the subject of a tax had not been widely discussed in prior commissioner meetings in 2023. So when Gelder appeared before the Port Orchard City Council April 25 to pitch the idea, city officials such as Councilman Shawn Cucciardi were caught off guard.

"There definitely is an impact to the cities in Kitsap County, and I wish you guys would have approached us sooner just to loop us in," he said. "Not to say that we aren't supportive of it, but we don't even meet again before May 8."

That date is key as it is the last opportunity for the county commissioners to approve the tax for the primary ballot. Gelder apologized for the lack of communication and explained that while the county could potentially wait until 2024 fears of growing budget issues were motivating him to seek a solution sooner.

"I just have concerns that, you know, it waits till 2024 and it doesn't happen, then I know the county, as an organization, is going to be in a very severe cut mode," he said.

Port Orchard city attorney Charlotte Archer said the statute allows for a tax of up to threetenths, meaning Port Orchard could still pursue a one-tenth tax even if the county only passed a two-tenths tax. A three-tenths measure would preclude the city from attempting to pass the tax.

"I know the dire circumstances that we're in and what we need to do, and this is one of those tools because we have done pretty much everything else," Gelder said, "and so, I just want to leave the county in the best possible position to be able to support and to deliver the services that we need to our residents, and the same thing for the cities."

This news comes less than a week after the city of Bremerton approved a resolution for a voter-decided property tax increase geared toward funding its fire and police departments.

No Kitsap County 3/10th of One Percent Sales Tax Increase On August 2023 Elections Ballot

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From: Amber Dunwiddie <ADunwiddie@kitsap.gov>
Date: 5/12/23 4:21 PM (GMT-08:00)
To:
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Subject: RE: Information
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Thank you for reaching out. The Commissioners had discussed the possibility of placing a public safety sales tax initiative on the ballot this year for voters to contemplate, however they decided additional time was needed to further analyze the details. Nothing will be placed on the ballot in 2023 regarding this. As for the details around sales tax in the County, see below for a breakdown of the current sales tax rate.

Kitsap County Sales Tax Rate (currently) = 9.2 cents on the dollar

State of Washington = 6.5 cents

Kitsap County (General Fund) = 1.1 cents

Emergency Communications (Kitsap 911, voter approved, separate entity from Kitsap County) = 0.2 cents

Juvenile and Jail Detention Facilities (voter approved, part of the County, but separate fund used for capital construction and improvements) = 0.1 cents

Mental Health and Chemical Dependency (voter approved, part of the County, but separate fund used for specific purpose) = 0.1 cents

Affordable Housing (Commissioner approved, part of the County, but separate fund used for specific purpose) = 0.1 cents

Fast Ferries (Kitsap Transit, voter approved, separate entity from Kitsap County) = 0.3 cents

Buses (Kitsap Transit, voter approved, separate entity from Kitsap County) = 0.8 cents Total = 9.2 cents

The State collects and distributes sales tax to the various taxing authorities. Kitsap County receives the full General Fund amounts for sales made in the unincorporated areas of the County and 15% of the general fund sales tax collected within the cities (with the cities keeping the remaining 85%). Special purpose tax components in some cases are collected and accounted for by the County government, but are restricted for use within the confines of their legal authorization. The State, Kitsap 911, and Kitsap Transit all receive their portions of sales tax directly from the State.

For more information on existing sales tax components, and to learn about what an additional voter approved public safety component would look like, please click the following link: <u>MRSC - Sales and Use Taxes in Washington State</u>

A public safety sales tax would have to be voter approved and could range from 0.1 cents to 0.3 cents. There would be a 36 month grace period for this component for purchase of motor vehicles, and the cities would benefit from this as well. Cities may also move forward and put this sales tax component on the ballot independent of the County and vice versa, thereby reducing each other's amounts depending on timing.

Hopefully this answers your questions. Please feel free to reach out if you have any further questions!

Thank you,

Amber Dunwiddie

Administrative Services Director

Kitsap County