



Shared revenues with cities: 2015-17 biennium

Summary of city distributions							
Liquor profits	Liquor taxes	Municipal criminal justice	City-County Assistance	SST mitigation	Fire Insurance Premium Tax	Marijuana excise tax	Total
\$ 79.0 M	\$40.0 M	\$33.5 M	\$12.5 M	\$27.1 M	\$9.2 M	\$7.1 M	\$208.4 M

Direct distributions from the state to local governments are driven by decades of past decisions on government operations. Without those past decisions, some local authorities could have been granted. Instead, cities have come to rely on these state funds. The following provides some explanation about the direct distributions and what cities are estimated to receive in the state’s FY 15-17 budget:

Liquor profits and taxes – Since cities are responsible for policing liquor establishments and responding to liquor-related incidents, but pre-empted from taxing liquor by the state, a portion of liquor profits and taxes are returned to cities to help defray policing costs.

Estimated FY 15-17 distributions:

- *Liquor profits: Cities – \$79.0 million; Counties – \$19.8 million*
- *Liquor excise tax: Cities – \$40 million; Counties – \$10 million*

Streamlined sales tax mitigation – Distributed to approximately 50 cities depending upon sales tax revenue collection and distribution formula. This funding was part of an agreement between state and local government to mitigate for the significant shift in revenue resulting from taxing sales based on destination.

Estimated FY 15-17 distributions: Cities – \$27.1 million; Counties & transit – \$20.5 million

Municipal Criminal Justice Account – Distributed on a per capita basis to all cities. In addition, some cities get additional distributions if they have a “high” or “violent” crime rate (determined by a particular percentage of the state-wide average rate).

Estimated FY 15-17: Cities – \$33.5 million

City-County Assistance Account – Distributed to approximately 170 cities with low tax bases per sales tax collections, assessed value, and MVET backfill funding amounts.

Estimated FY 15-17: Cities – \$12.5 million; Counties – \$12.5 million.

Fire Insurance Premium Tax – Distributed to 44 cities with active firefighters that were required by the state to create a fire fighter’s pension system. The funding provides a small offset for continuing medical and pension obligations.

Estimated FY 15-17: Cities – \$9.2 million; Fire districts – \$.4 million.

Marijuana excise tax – Distributed to cities with licensed retail marijuana stores. Distributions based on the annual taxable retail sales within the jurisdiction. Revenue sharing formula changes in the 2017-19 biennium.

Estimated FY 15-17: Cities – \$7.1 million; Counties – \$4.9 million.