

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.3
(ID # 11988)

MEETING DATE:
Tuesday, February 25, 2020

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Proposition 172 Management and Distribution, All Districts.
[\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and direct the Auditor Controller to 1) cap annual distributions of public safety sales tax revenue received at the department budgeted level, and 2) isolate and restrict for public safety any and all receipts in excess of what is budgeted by the public safety departments.

ACTION: Policy

Jeff Van Wageningen, Assistant CEO / Public Safety 2/19/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: February 25, 2020
xc: EO

Kecia R. Harper
Clerk of the Board
By:
Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|-----------------------------|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: N/A | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | 19/20 |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On November 2, 1993, California voters enacted Proposition 172 (Prop. 172), which established a permanent statewide half-cent sales tax for support of local public safety functions in cities and counties. The allocation of Prop. 172 funds is determined by statute. Revenues are collected by the State Board of Equalization and apportioned to each county and cities within the county based on proportionate shares of statewide taxable sales.

A city or county that receives Prop 172 funds must place the revenues in a special revenue fund to be expended only on public safety services as defined in Government Code Section 30052. Eligible services include, but is not limited to, sheriffs, police, fire protection, county district attorneys, county corrections, and ocean lifeguards. In Riverside County, Prop. 172 revenues are distributed based on a formula to the Sheriff, District Attorney, Probation and Fire departments. Proposition 172 revenue has generally been treated as non-departmental revenue. Each year, the Executive Office provides a budget estimate to the Board as a part of the proposed budget.

On May 4, 2010, Item 3.82, the Riverside County Board of Supervisors established a restricted fund into which Prop. 172 receipts that exceed departments' budgeted amounts are retained. At the Board's direction, revenues retained in the restricted funds were used to support various public safety needs. This included stabilizing department allocations year-over-year, when revenue falls, or using the funds to support other high-priority public safety needs. Subsequently on December 6, 2016, Item 3.42, the Board approved a revised distribution ratio to mitigate Prop 172 revenue shortfall. The Board approved plan distributed all actual Prop. 172 revenue on a pro rata basis as received until the original distribution level of \$190 million is fully restored.

Based on the trend in last year's actual taxable sales and HdL's current projections, it appears probable that Prop. 172 revenue will be closer to \$193.7 million this fiscal year rather than the \$189.8 million originally anticipated. The Executive Office recommends retaining the estimated \$3.9 million in unanticipated revenues to support other high priority public safety needs, including the funding of work associated with new legal mandates.

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Moving forward, distributions to public safety departments would be made as funds are received from the state up to the amount budgeted in each public safety department budget. Revenue received above budgeted levels will be isolated in the restricted fund until allocated by the Board for public safety needs.

Impact on Residents and Businesses

Citizens in Riverside County can be confident that the county is providing the necessary resources to support public safety services.



Esteban Hernandez 2/19/2020