



The Finance Committee

Of the Dodge County Board of Supervisors

127 East Oak Street • Juneau WI • 53039-1329 • (920) 386-3520 • Fax: (920) 386-3545

Dodge County Sales and Use Tax Allocation Prioritization Policy Recommended by the Dodge County Finance Committee June, 2017

1. **Purpose.** The purpose of this policy is to establish priorities for the use of the County's sales and use tax revenues. Pursuant to §77.70, Wis. Stats., counties may impose a sales tax of 0.5 percent.
2. **History.** Dodge County Board of Supervisors adopted a County Sales and Use Tax pursuant to §77.70, *et seq.*, by Ordinance No. 348 on September 30, 1993, effective January 1, 1994. Recognizing the need to identify, evaluate, plan and fund capital projects, the County Board developed and implemented its first five-year Capital Improvement Plan by adopting Resolution No. 96-26 on August 13, 1996 as a plan for 1997-2001. By statute, the county sales tax may be imposed only for the purpose of directly reducing property tax levy. Wisconsin's Attorney General opined that sales tax revenues may be budgeted by the county board to reduce the amount of county-wide property tax levy or to defray the cost of any item that can be funded by a countywide property tax. *1998 Wis. Atty. Op. Gen. I*, OAG, 1-98, May 5, 1998. The Attorney General further opined that local units of government may accumulate needed capital to finance specifically identified future capital expenditures. *1987 Wis. Atty. Op. Gen. 77*, OAG 18-87, April 7, 1987.
3. **Definitions.**
 - a. **Capital Item:** A capital item is a product or service with an estimated cost greater than \$50,000 and budgeted as a planned expenditure to be funded through the County's Capital Improvement Plan. A capital item includes but is not limited to software, hardware, vehicles, equipment, consultative services such as owner's representative or construction manager or other significant one-time purchases that would overburden a department's operating budget.
 - b. **Capital Infrastructure:** Capital infrastructure is defined as major building components or major building systems or mechanical infrastructure replacements which provide the foundation for the operations of county government which have a long useful life, including but not limited to repair and maintenance or upgrades to HVAC, boilers, roofs, building foundation, parking lot construction or resurfacing. Capital infrastructure does not include: 1) routine or preventative building or system maintenance; 2) new building construction or land acquisition.

Note: These definitions are provided for purposes of understanding this policy only. These terms may have alternative definitions when used in other policies or documents.

4. **Objectives.**

- a. Comply with the statutory authority allowing the imposition of a county sales tax.
- b. Make fiscally prudent, well-reasoned financial decisions regarding the use of sales tax revenues to address Dodge County's capital needs
- c. Maximize use of available financial resources
- d. Further enhance visibility and transparency in the allocation of sales tax revenues

5. **Priorities.** The following priorities are established in order of importance for the use of the county half cent sales tax:

- a. Annual Principal Payments
 - i. Bond and Note Issues, Short-term bank notes
 - ii. Intergovernmental Transfers between County Departments
- b. If available, County Highway and Bridge Projects-Minimum annual allocation of \$1.0 million
 - i. Entire allocation must be used for county highway system projects or county bridge projects.
 - ii. Allocation cannot be used for highway buildings, highway equipment or to supplant highway operating budgeted funds.
- c. If available, Capital Infrastructure-Repair/Maintenance of Existing Dodge County Buildings and Grounds.
- d. If available, Other (not in order of priority):
 - i. Parks and other land acquisitions
 - ii. Capital Items with a single purchase dollar value exceeding \$50,000.
 - iii. Park and recreational improvements or projects
- e. If available, New Dodge County Buildings.
- f. Current year undesignated sales tax, if any, to be held within the general fund assigned to sales tax for appropriation in the following year's sales tax budget.

6. **Related Plans; Procedures; Policies.** This policy shall be used in conjunction with the following:
 - a. County's Capital Improvement Plan and the process described therein.
 - b. General Fund Balance Policy
 - c. Debt Service Schedule
 - d. Related County Board approved resolutions

7. **Review.** The Finance Committee shall review this policy annually at its regular meeting in July, prior to the commencement of the annual Capital Improvement Plan process. No later than September of each year, the County Board of Supervisors shall consider the sales tax funding projects.

8. **Authority.**
 - a. Section 77.70, Wis. Stats.
 - b. Dodge County Ordinance No. 348, adopted September 30, 1993