

SUMMARY AND BACKGROUND:

The state revenue sharing program allocates 14 percent of state liquor revenues to cities. These funds are general purpose. This means local governments have discretion on how they spend state revenue sharing funds.

The purpose of the public hearing this evening is to allow citizens an opportunity to comment on the Budget Committee's proposed uses of state revenue sharing funds in relation to the FY 2016-17 City of Salem Budget. This public hearing has been announced in the City Council's agenda packets and published May 26, 2016 in the *Statesman Journal*. Citizens have had an opportunity to review the Budget Committee's proposed uses of state revenue sharing funds since notification in the *Statesman Journal*.

To receive state revenue sharing funds in FY 2016-17, State of Oregon law (ORS 221.770) requires the City to certify by resolution or ordinance to the State of Oregon that two public hearings have been held on the uses of the funds. The first hearing must cover the *possible uses* of state revenue sharing funds. The Budget Committee held such a public hearing on April 13, 2016. At that public hearing no one testified on the possible uses of revenue sharing funds in the FY 2016-17 budget.

The second hearing must cover the *proposed uses* of state revenue sharing funds (the hearing before the City Council tonight). This second hearing precedes City Council approval of the proposed uses of the funds through adoption of the FY 2016-17 City of Salem Budget on June 27, 2016.

FACTS AND FINDINGS:

The Budget Committee recommends that the FY 2016-17 budget fully allocate the estimated \$1,652,620 of state revenue sharing funds to offset the costs of police patrol. This is consistent with how these funds have been budgeted in past years.

To receive state revenue sharing funds in FY 2016-17, the City must certify to the State of Oregon before July 31, 2016 the following:

1. The two required public hearings on the *possible* and *proposed* uses of state revenue sharing funds have been held; and
2. The City elects by ordinance or resolution to receive state revenue sharing funds in FY 2016-17.

Kelley Jacobs
Budget Officer

Attachments:

1. Resolution No. 2016-19, State Revenue Sharing

05/24/2016