

The County Dollars, \$: Where Do They Come From and Where Do They Go

New Officer Orientation
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Know Your Funds & Options

(Know enough to be dangerous!)

1. General Fund
2. Highway Fund
3. Cash Funds, e.g.
 - Treasurer's Resale Property
 - Clerk's Lien Fee
 - Sheriff's Service Fee
 - Sales Tax
 - Use Tax
 - Court Clerk Records Preservation
 - Grants
4. Others



Cape Buffalo = formidable



Primary Sources of Revenue

- General Fund

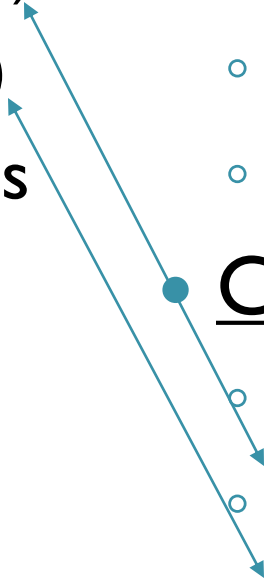
- Property Tax
- Sales Tax (optional)
- Use Tax (optional)
- County Clerk Fees
- Interest on Invest.
- Motor Veh. Fees
- Various Other
 - Including reimbursements

- Highway (Road) Fund

- Gasoline Tax
- Diesel Tax
- Motor Vehicle Fees
- Gross Production Tax

- Cash Funds

- Various specific fees
- Sales Tax (op)
- Use Tax (op)



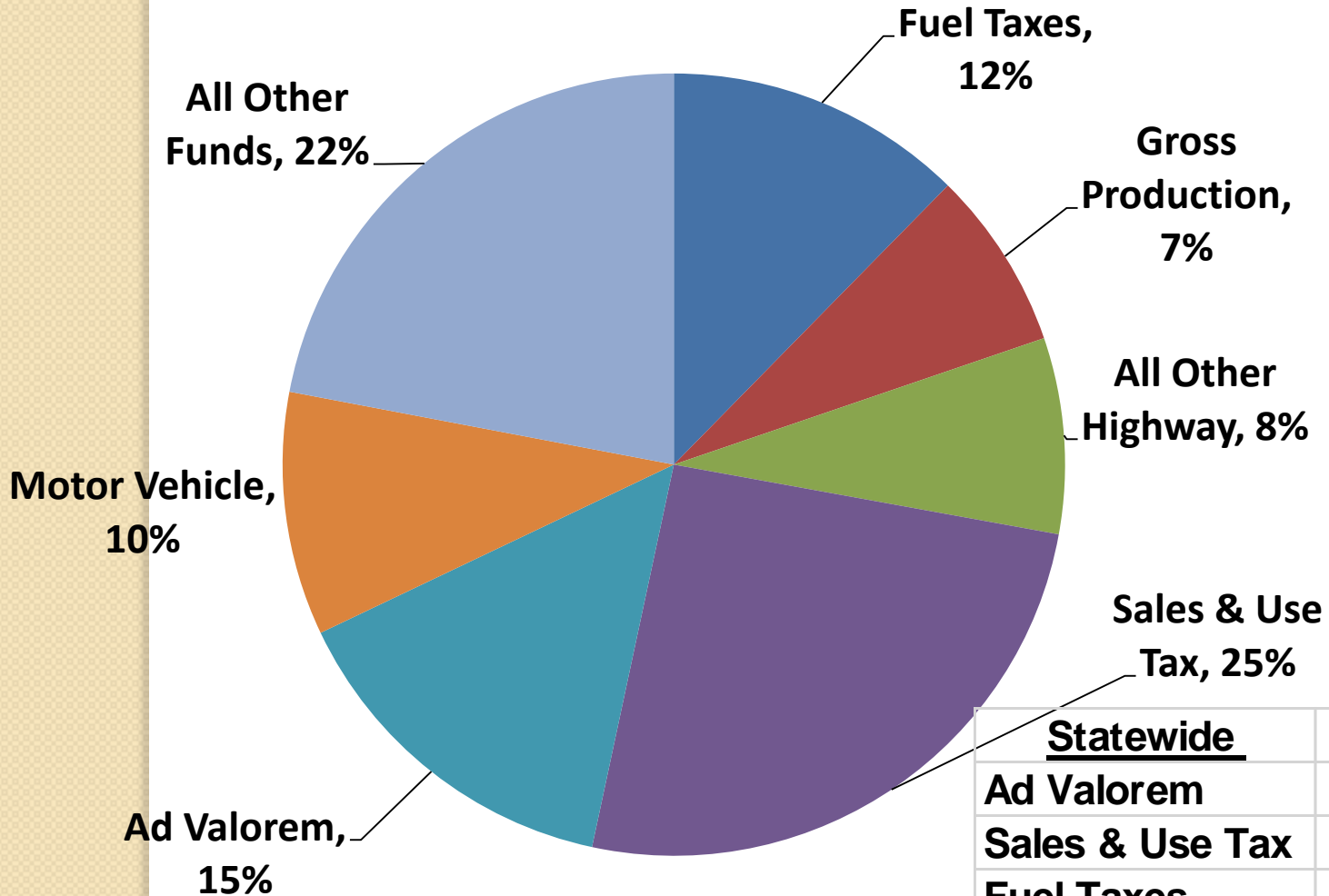
General Fund Characteristics

- Primary Fund for County Government
- Annual Budget
- 100% Available upon Adoption
 - Based on anticipated revenue
- Approval, based on Gov. Board:
 - A. Commissioner/Excise – August - September
 - B. Budget Board – July 1st , amended September

Cash Funds (including Highway)

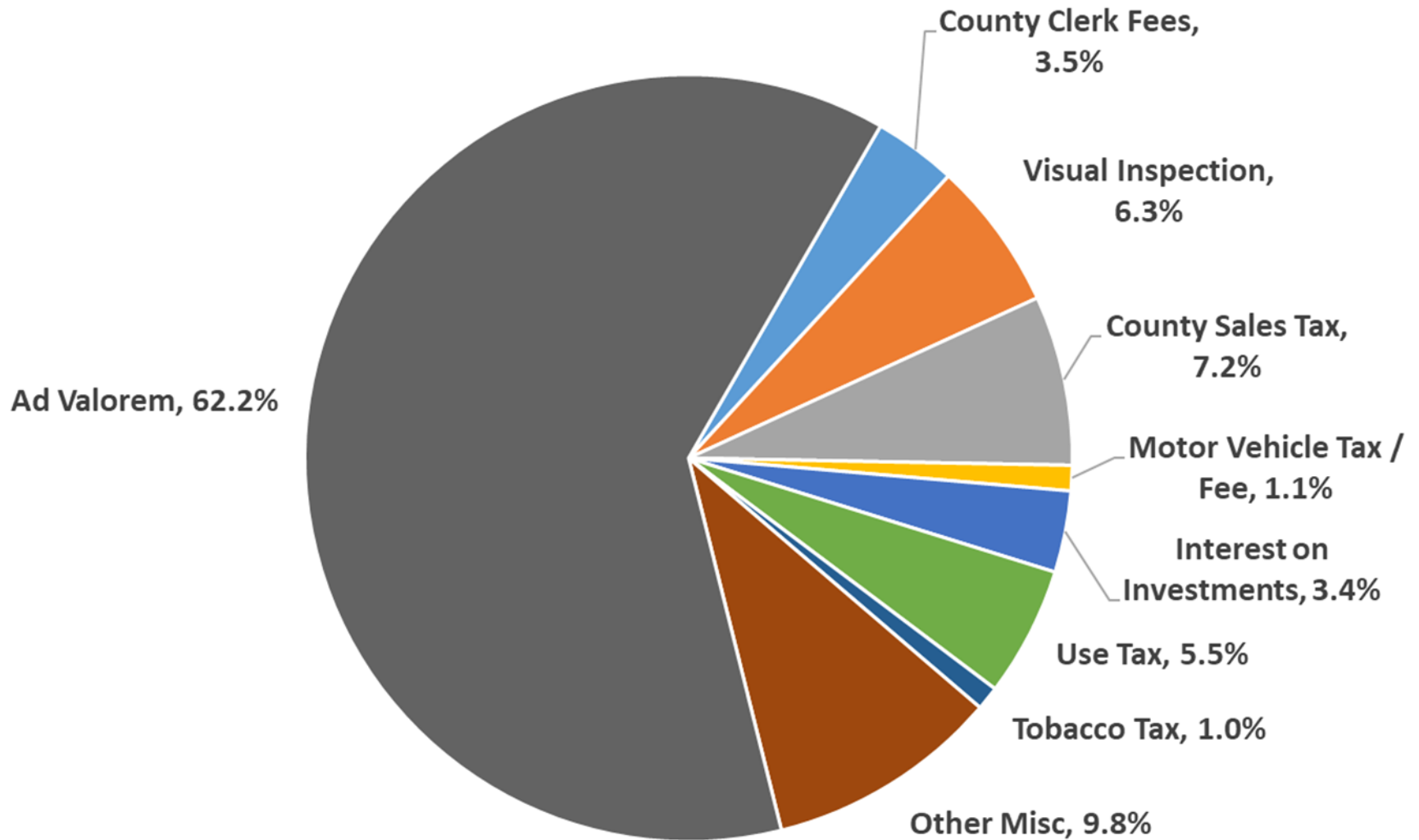
- Specific funding/purposes
- Monthly budget
- Appropriation (Budget) process takes 4-6 weeks
 - Deposit upon receipt by Treasurer
 - Apportionment at end of month by Treasurer
 - Allocation among PS, M&O, C/O, ...
 - Approval of Appropriation by Boards
 - Added to appropriation ledger by County Clerk, then Available for Expenditure

**Average County Sources of Revenue,
General, Highway, & Cash Funds, FY 2014**

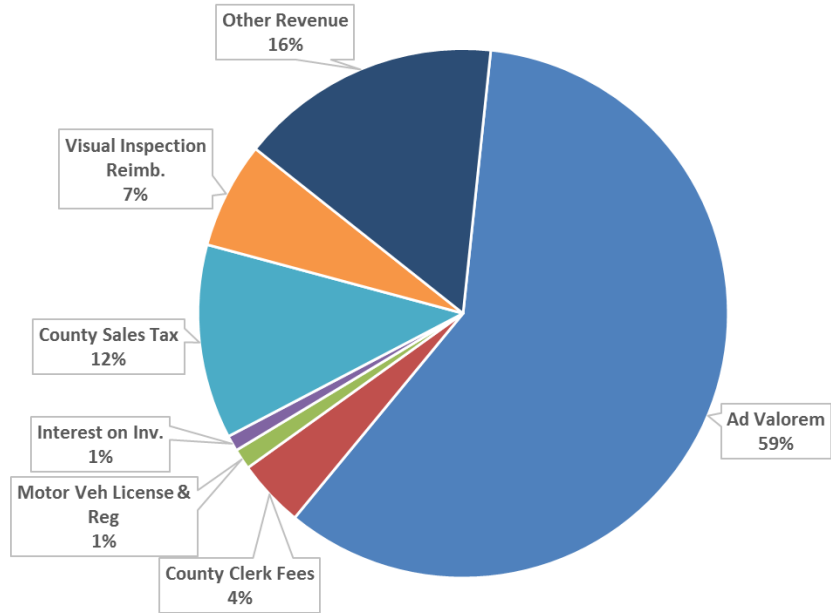


<u>Statewide</u>	<u>FY 2014</u>
Ad Valorem	280,478,638
Sales & Use Tax	321,319,016
Fuel Taxes	120,444,365
Motor Vehicle	100,464,274
Gross Production	83,446,230
All Other	325,154,833
Total County Rev	1,231,307,355

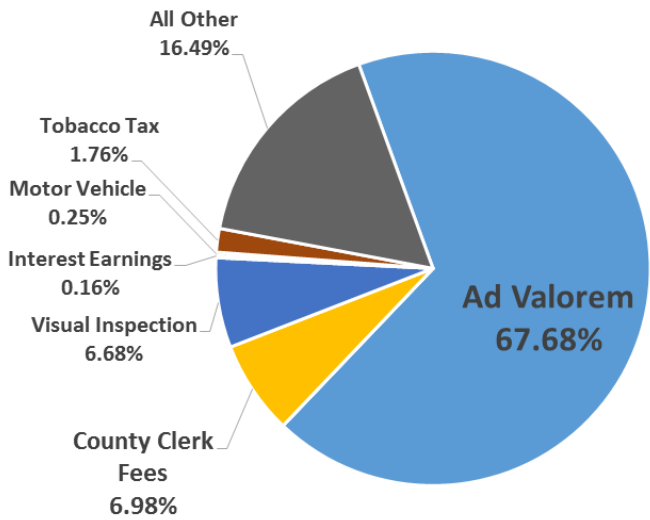
Average County General Fund Revenue Source, OK, FY 2020



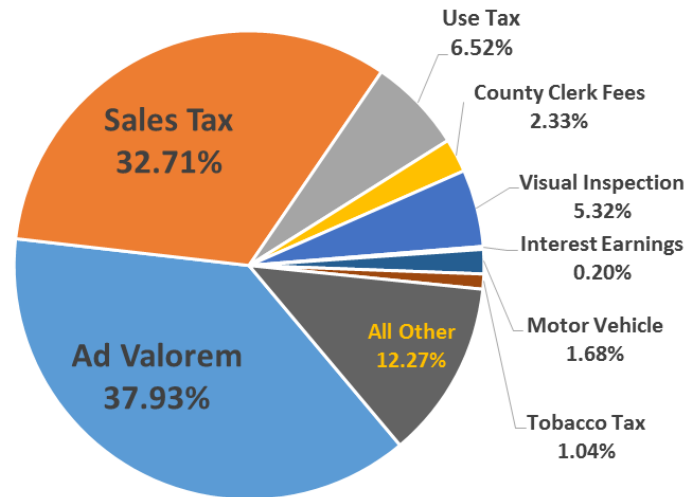
Average County General Fund Revenue Source, FY 2016



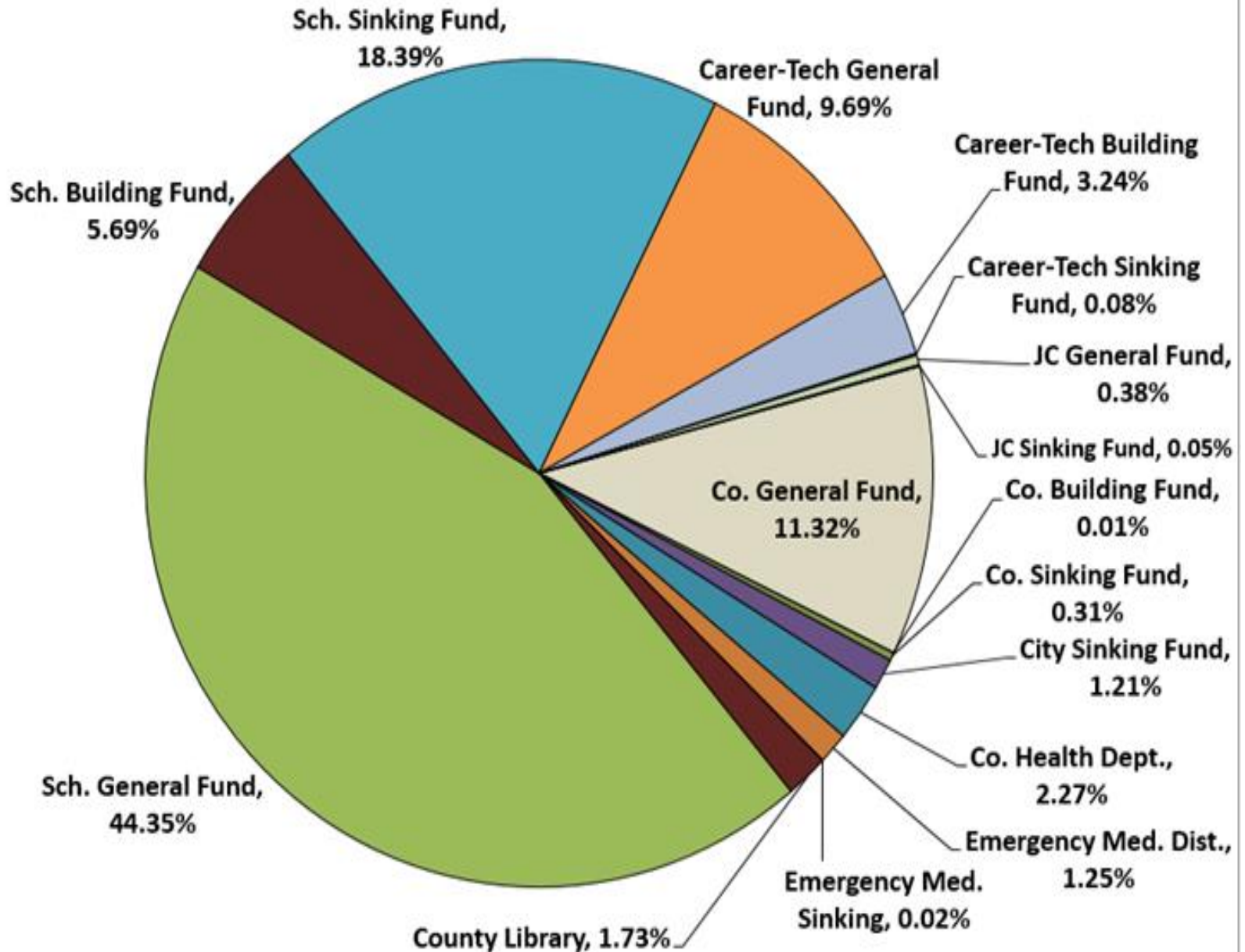
Coal County General Fund Revenue, FY 15



Ottawa County General Fund Revenue, FY 15



Ad Valorem Mill Levies, State Summary, FY 2019-2020





Comparison of County Government Finances by Size Groupings

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County officers go through the General Fund budget process annually and decide how limited funds will be allocated among numerous county services. Budgeting can be a stressful process and county officials often search for guidelines and information that is helpful. A common practice is to compare one county to other counties of similar size (in terms of population and/or taxable value). Revenue and expenditure data for each county in Oklahoma is published annually by the Oklahoma Cooperative Extension Service.¹ These data allow one-to-one county comparisons. However, little information has been published that examines county revenues and expenditures by size groups. This report provides a stratification of county revenues and expenditures by two size variables: (1) population and (2) net assessed (taxable)

Oklahoma Cooperative Extension Fact Sheets
are also available on our website at:
<http://osufacts.okstate.edu>

from this that Harmon County has a relatively small number of people and a relatively small tax base. Cimarron County has relatively few people, but relatively more assessed value per person. Beaver County is even more pronounced in this regard. Beaver is ranked eighth smallest in population, but is ranked 33 in assessed value. Generally speaking, the greater the tax base (assessed value), the easier it is for county government services to be provided at adequate levels and quality to the citizens.

Since the ad valorem tax is so important in financing county government, counties with larger assessed valuations and valuation per capita can more easily finance county government services. Counties with smaller assessed values and smaller populations will tend to have a greater challenge in providing minimal levels of county services. Tables 3 through 6 support these assertions.

Available at your county extension office and online.

Average County General Fund Revenue, FY 2015

Table 3. County General Fund Average Cash Balance, Revenues, and Total Expenditures, Average Overall and by Population Group, Fiscal Year 2015

		Group I 0 - 10,000	Group II 10 - 20,000	Group III 20-45,000	Group IV* 45-135,000
Number of Counties	Counties* 74	19	17	21	17
<i>Item</i>		<i>(Dollars)</i>			
General Fund					
Beginning Cash Balance	2,043,085	2,689,274	1,523,846	1,457,650	2,563,297
Revenues:					
Ad Valorem	2,169,676	957,765	925,948	2,270,883	4,642,872
County Clerk Fees	155,014	66,583	79,837	162,052	320,333
Motor Vehicle Fees	47,801	10,216	35,771	56,339	91,291
Interest on Investments	27,961	28,583	17,482	23,129	43,712
Sales Tax Receipts	582,409	620,845	537,009	225,792	1,025,378
Other Revenue	894,545	574,153	592,996	1,003,087	1,420,097
Total Revenue	3,877,406	2,258,146	2,189,043	3,741,282	7,543,683
Total Revenues and Cash Balance	5,920,491	4,947,419	3,712,889	5,198,933	10,106,981

* Excluding Cleveland, Tulsa, and Oklahoma Counties.

Sources of Revenue

General Fund

I. **Ad Valorem Taxes**

A mill levy on tangible, taxable property.

For example:

Fair Cash Value of a Home	\$ 80,000
Assessment Ratio	X .12
<hr/>	
Assessed Value	\$ 9,600
less Homestead Exemption	-1,000
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Net Assessed Value	\$ 8,600
Tax Rate (80 mills)	X 0.080
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Tax Due	\$ 688

Sources of Revenue General Fund

County Clerk Fees – Documentary Stamps 68 O.S. § 3204

**\$ 0.75 per five hundred dollars of value, affixed
to deed conveying an interest in real property**

Allocation:

- 30.3% goes into the county general fund**
- 69.7% goes to the OTC for the State General Revenue Fund.**

General Fund Sources

2. Fees and Collections

- **County Clerk Fees 28 O.S. § 32**
 - **For registration of deeds, ...**
 - \$ 8 for recording the first page**
 - \$ 2 for recording each additional page**
- **Interest on Investment; 68 § 348.1**

General Fund Sources

3. **County Sales, Use, & Lodging Taxes**

- **County Sales Tax**
 - A maximum of 2%.
 - Must be approved majority of local voters.
 - For specified purpose(s).
 - Applies to the same items as the state sales tax.
- **“Use Tax”** may be added by resolution of county commissioners.

-- Sales Tax note --

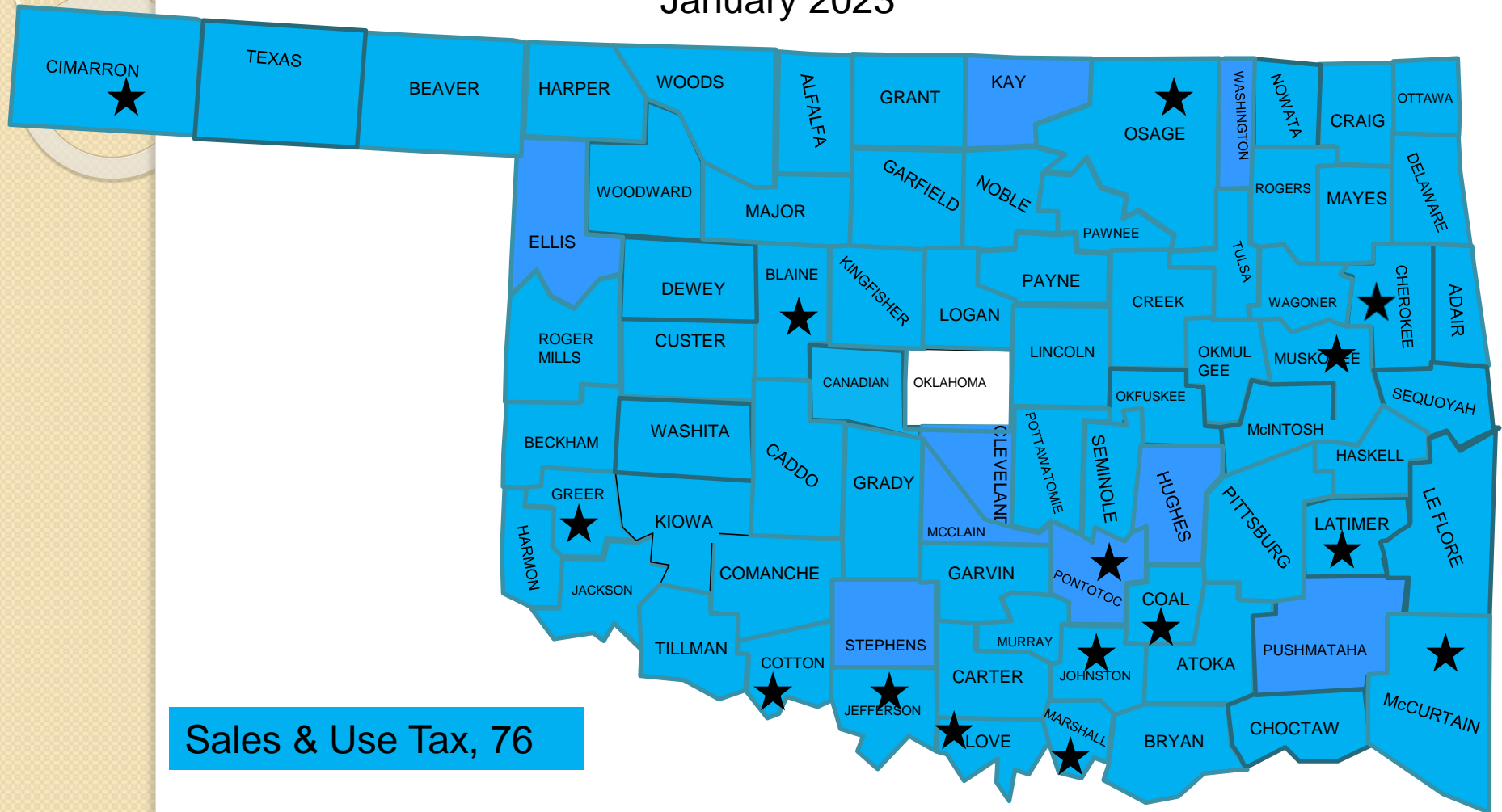
- Law allows sales tax be placed in General Fund or Cash Funds
- State Auditor recommends using Cash Funds for restricted sales tax
 - Transparency
 - Accountability

County Sales, Use, & Lodging Taxes continued

- County Lodging Tax
 - Counties of less than 200,000
 - Maximum of 5% on lodging rooms.
 - Approved by majority of voters.
 - For specified purpose.
 - General Fund or a Cash Revolving Fund
 - Inapplicable within cities already levying a lodging tax.
 - Adopted in :
 - Blaine, Cherokee, Cimarron, Coal, Cotton, Greer, Jefferson, Johnston, Latimer, Love, Marshall, McCurtain, Osage, Pontotoc, Muskogee

County Sales, Use, & Lodging Taxes

January 2023



Sales & Use Tax, 76

★ Lodging Tax Counties, 15

See the Oklahoma Tax Commission website for detailed information.

General Fund Sources

4. State Transfer Payments

From State To Counties, Cities, Towns & School Districts.

Motor Vehicle License & Registration Fees

- **Excise Tax, 68 O.S. 2000 § 2103 - ...**
- **Annual Registration, 47 O.S. 2000 § 1132 - ...**

General Fund Sources

Motor Vehicle License & Registration Fees allocation:

- **0.83%** - **County General Fund**
- **36.20%** - school districts
- **33.45%** - **construction & maint. of county roads and bridges (inc CBRI & CIRB)**
- **3.10%** - cities and towns for construction, maintenance, and lighting of streets and alleys

47 O.S. 2000 § 1104

General Fund Sources

5. “IN LIEU OF” TAXES – a small amt

- Auto tax stamps
- Registration fees & taxes on aircraft
- Registration & license for vessels & motors
- Farm tractors & equipment

General Fund Sources

6. Reimbursements – pass through

Visual Inspection (Revaluation)

The cost of the “program of visual inspection” is shared by all local jurisdictions collecting an ad valorem levy. Each jurisdiction’s share is proportional to its total levy the prior year. 68 O.S. §§ 2820, 2822-2823

General Fund Sources

6. Reimbursements

District Attorney, D.A.

The county must provide the D.A. with

- (1) office space;**
- (2) law library and legal subscriptions;**
- (3) funds for investigation, prosecution or defense of any action wherein the county is a party. 19 O.S. §§ 215.36 - 215.38**

General Fund Sources

6. Reimbursements

District Attorney

The state shall provide for all other expenses through the **District Attorneys Council. However, the county pays these expenses and is reimbursed monthly.**

General Fund Sources

6. Reimbursements

Election Board

“The salary and fringe benefits paid to each secretary shall be paid from county funds on a monthly basis and shall be reimbursed from funds appropriated by the Legislature ...”

26 O.S. §§ 2-118 - 2-121

Other election board employees are paid from county funds.

Variation Across the State

- Heavy Dependence on Property Tax
- Heavy Dependence on Sales Tax
- Sales Tax Placement
 - General Fund and/or Cash Fund
- Diverse Use of Sales Tax
 - 100% Hospital or Jail
 - Split 17 Different Ways
 - Roads, Rural Fire, Solid Waste, Fair, General, ...
- Growing value of Use & Lodging Taxes

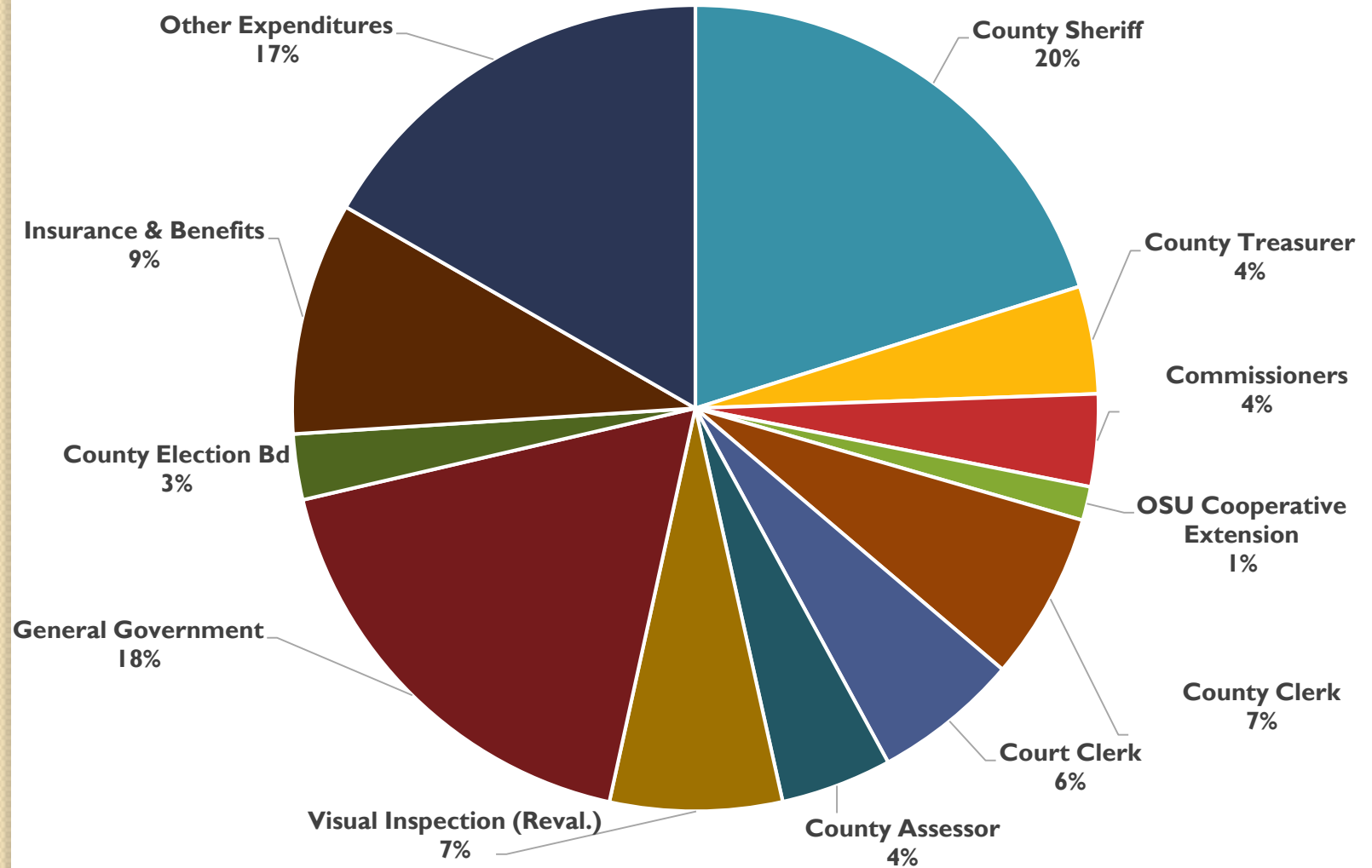
Average County General Fund Expenditures*

Table 5. County General Fund Cash Balance, Revenues, and Total Expenditures, by Assessed Value Group, Fiscal Year 2015

	Group I 0 - 60 millions	Group II 60 - 110 millions	Group III 110 - 175 millions	Group IV 175 - 300 millions	Group V* 300-1,300 millions
Number of Counties	10	14	12	17	21
Expenditures:					
District Attorney	3,912	10,461	5,143	11,851	44,788
County Sheriff	180,616	424,449	560,376	621,178	1,384,684
County Treasurer	75,068	104,811	135,873	180,159	218,386
County Commissioners	9,653	103,266	171,381	167,013	228,871
OK Coop. Extension	18,532	26,275	42,836	75,359	119,467
County Clerk	90,462	155,066	204,656	245,067	399,597
Court Clerk	68,457	106,761	180,822	203,526	369,353
County Assessor	67,970	85,862	121,005	160,866	276,023
Reval./Visual Insp.	94,097	149,849	188,240	189,721	469,108
General Government	138,536	244,034	936,967	552,708	1,072,883
Excise/Equal.	3,740	3,301	3,506	4,365	5,176
County Election	48,204	63,404	88,004	87,621	147,202
Insurance and Benefits	139,331	141,468	572,561	256,190	488,944
Other Expenditures	194,974	344,021	414,897	245,561	1,446,932
Total Expenditures	1,133,552	1,963,026	3,626,266	3,001,184	6,671,413
End of Year Cash Surplus	336,028	1,831,816	1,405,321	3,506,532	2,992,863

* Excluding Cleveland, Tulsa, and Oklahoma Counties.

Average General Fund Expenditures by Department, FY 2015



Personnel Expenses

- Like school districts, county government expenditures are largely for personnel.
 - General Fund – usually in excess of 75%
 - Highway Fund – probably a bit smaller
 - Cash Funds - ??
-
- Salaries + **Benefits** = Growing Cost
 - Benefits may include retirement, health, dental, vision, and life insurance; employee plus ...

Questions for you!

- How much of the Sheriff's expenditures are for operating the jail?
 - How much per inmate?
- What's the county's share of employee retirement?
- What's the county's share of various insurance coverages?

County Highway Fund

- Primarily from
 - Fuel taxes – gasoline & diesel
 - Gross production taxes – in your county
 - Motor vehicle taxes – license & registration
- Divided by commissioners among themselves
 - Maybe by population
 - Maybe by road miles
 - By Resolution

County Highway (Road) Fund

- Fuel and motor vehicle taxes
 - Divided among counties largely on:
 - Population
 - Miles of County Roads
 - Land Area
 - Basically, what percent is your county of the state total.
- CBRI Funds are distributed differently

012 10:22

OKLAHOMA TAX COMMISSION
APPORTIONMENT SYSTEM

TAXES AND LICENSES APPORTIONED TO COUNTIES
DETAIL COUNTY LISTING
OCTOBER COLLECTIONS FOR NOVEMBER DISTRIBUTION

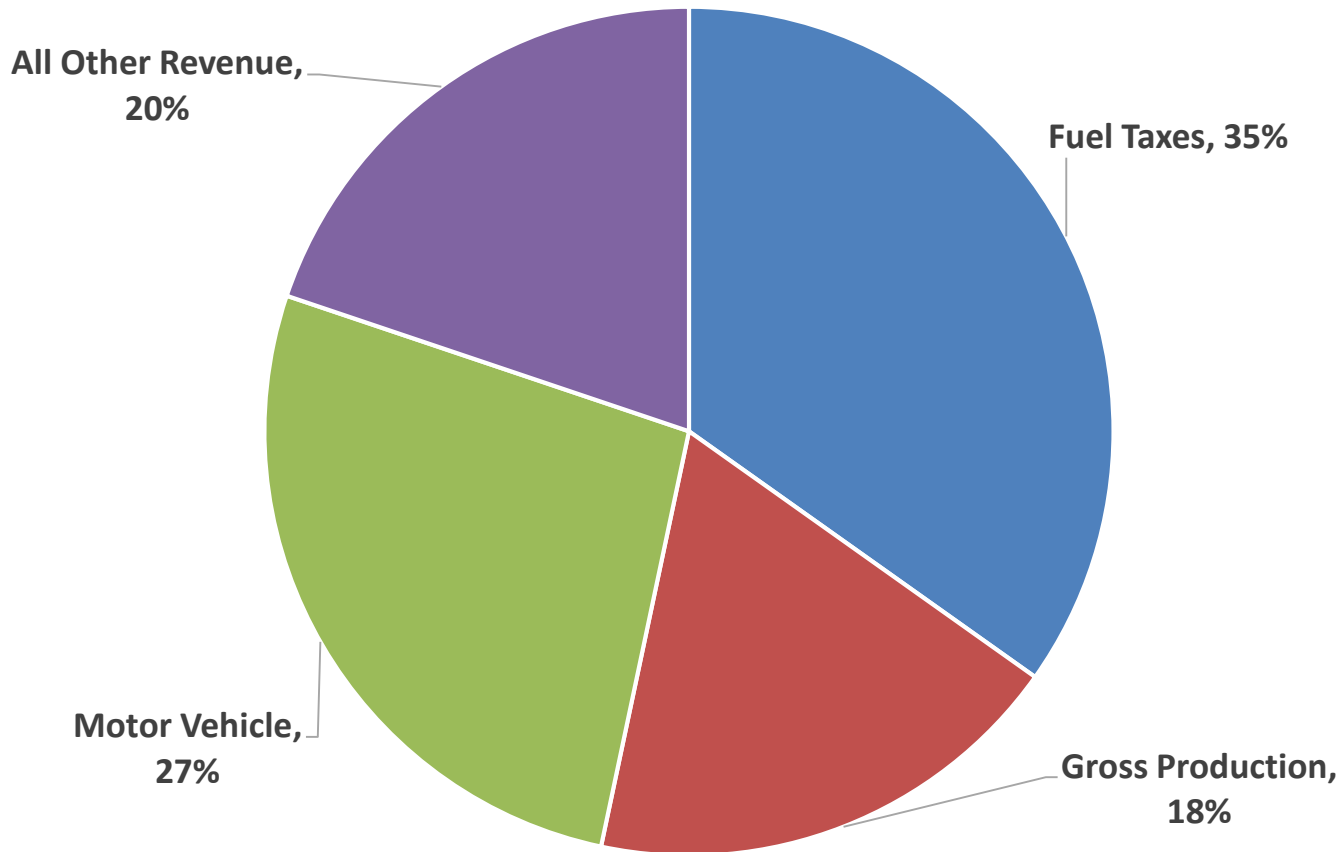
Custer County

TAX TITLE

CURRENT MONTH

ALCOHOLIC BEVERAGE TAX FOR CITIES & TOWNS	\$10,155.26
GROSS PRODUCTION TAX - FOR ROADS	\$75,795.63
GROSS PRODUCTION OIL - CBRIF	\$9,493.38
DIESEL FUEL EXCISE TAX - CBRIF	\$3,529.35
DIESEL FUEL EXCISE TAX	\$32,816.99
GASOLINE EXCISE TAX	\$102,835.76
GASOLINE EXCISE TAX - CBRIF	\$7,056.94
SPECIAL FUEL TAX - CBRIF	\$.49
SPECIAL FUEL TAX	\$5.84
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MOTOR VEHICLE COLLETIONS FOR COUNTY GVMT	\$3,995.36
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MOTOR VEHICLE COLLECTIONS FOR CITIES & TOWNS	\$13,229.98
MOTOR VEHICLE COLLECTIONS FOR ROADS	\$51,731.13
MOTOR VEHICLE COLLECTIONS COUNTY ROAD FUND	\$18,506.03
MOTOR VEHICLE COLLECTIONS FOR ROADS - CRIF	\$22,164.05
<hr/>	
TOTALS:	\$351,316.19

Average County Highway Fund Revenue Source, FY 2014



Highway Fund Examples, FY 2012				
<u>Revenue Source</u>	<u>Hughes</u>	<u>Grant</u>	<u>Stephens</u>	<u>Wagoner</u>
Gross Production	1,458,983	519,630	3,595,768	35,246
Diesel	300,494	393,525	471,540	420,990
Gasoline	818,534	1,195,892	1,235,319	1,084,175
Motor Vehicle	809,974	1,202,392	1,791,977	1,001,180
Other	228,330	2,636,423	1,425,364	131,740
Total	3,616,315	5,947,862	8,519,968	2,673,331
<hr/>				
Population	13,843	4,585	45,197	74,098
Road Miles	878	1,770	1,136	964

Highway Fund Examples, FY 2012

Revenue per Mile	Hughes	Grant	Stephens	Wagoner
Gross Production	1,662	294	3,165	37
Diesel	342	222	415	437
Gasoline	932	676	1,087	1,124
Motor Vehicle	922	679	1,578	1,038
Other	260	1,490	1,255	137
Total	4,118	3,361	7,500	2,773
Population	13,843	4,585	45,197	74,098
Road Miles	878	1,770	1,136	964

Common “Cash Funds”

- MORTGAGE CERTIFICATION FEE – Treasurer
- RESALE PROPERTY FUND - Treasurer
- SHERIFF SERVICE FUND - Sheriff
- COMMISSARY ACCOUNT - Sheriff
- COMMUNITY SERVICE SENTENCING - Sheriff
- MECHANIC'S LIEN FEE - Clerk
- ASSESSOR'S COPY FEE FUND - Assessor
- COUNTY CLERK'S RECORDS MANAGEMENT AND PRESERVATION FUND – Clerk
- COUNTY COURT CLERK'S RECORDS MANAGEMENT AND PRESERVATION FUND – Court Clerk
- E-911 – Commissioners or e-911 Board
- Sales Tax Funds of various kinds

Useful Publications @

<https://extension.okstate.edu/programs/county-government-training-program/>

- **Abstract of County Government General, Highway, and Special Revenue Funds in Oklahoma, Fiscal Year 2020-2021**
- **Comparison of County Government Finances by Size Groupings, FY 2015**
- **County Sales, Use, & Lodging Tax Summary Report, FY 2022**
- **Oklahoma Ad Valorem Mill Levies, Fiscal Year 2022**
- **Videos**



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QUESTIONS?



COUNTY TRAINING PROGRAM

OSU Extension