

SUBJECT SALES TAX POLICY	ISSUED BY CITY COUNCIL	EFFECTIVE DATE DECEMBER 1, 2008
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POLICY STATEMENT:***Purpose:***

This policy is written to provide details to the citizens, staff, and city council direction on how money collected from the one percent (1%) sales tax passed on April 7, 2009 is to be distributed in the City's accounting system. The City Council takes great responsibility in collecting and appropriating tax and utility rate money collected from the citizens of Washington and the surrounding community.

PROCEDURE:

The following procedures must be followed to account for sales tax revenues and associated expenditures.

1. It is estimated that \$120,000.00 will be collected under the one percent (1%) sales tax.
2. First and foremost, the sales tax will be used to pay the bonds purchased for the construction of a new swimming pool. The first \$90,000 collected each calendar year will be placed in the Swimming Pool Department account of the Sales Tax Fund (95-10). This money is to be used for the semi-annual payments with the remainder to remain in the fund to be used for either maintenance of the pool or additional principal payments on the bonds.
3. Any additional revenues in excess of the \$90,000.00 shall be placed in the Non-Departmental account of the Sales Tax Fund (95-00). Money can only be transferred out of this account with a majority vote of the City Council.
4. Other projects that could be funded with additional sales tax revenues collected by the sales tax include but are not limited to the following:
 - a. Street improvement projects.
 - b. Curb and gutter projects.
 - c. Sidewalk projects.
 - d. Sanitary sewer system improvements.
 - e. Electrical system improvements.
 - f. Water system improvements.
 - g. Economic development.

Approved By: _____

Harold H. Jones, Jr., Mayor