



Memorandum

To: Mayor, Town Council
From: Rick Wixom
Date: October 4, 2023
Re: **October 11, 23 Town Council Meeting**
Resolution 2023-10, RAP Tax Policy and Advisory Board

Following the review of RAP tax funding applications this past spring, the Council asked that we look at the policy on RAP tax funding for possible revisions. One specific change requested for review was the addition of an advisory board to review funding applications and provide recommendations to the Council. Another specific request was more information from applicants on budgets, purpose for funding, and other application improvements.

The Town has had a policy since 2015 when RAP funding was approved by the voters of Washington County. Resolution 2023-10 adopts revisions to the existing policy and provides for the appointment of a 5-member advisory board to review applications.

RAP tax is a voter approved tax in which the revenue is restricted by the state code for certain specific purposes. The Town can't use the funds for purposes outside those specified by the code but can act to further refine the purposes outlined in the code. The tax is collected County wide, and a portion of the total is provided to the Town to provide benefits to residents and visitors. RAP funds are limited in amount (about \$45,000 per year) and as such need to be prioritized for the largest benefit. Ultimately, this is the role of the Council.

The policy makes several changes from the existing policy, and the Town Council should consider these changes during your review.

Advisory Board

The committee has gone back and forth on the establishment of an advisory board. The Council requested the inclusion of a committee to review and recommend funding applications. This new Board would be a public body and subject to all public meeting requirements (noticing, minutes, etc.) as do the other public bodies. Our recommendation at this point is a five-member body, with one member from each of the Council and Commission and three members from the community at large. The questions we've asked ourselves are:

- What are the expectations of appointments of the community members? Our Art Review Board selects members after each application, so they have people with experience in the art on the Board. Is the expectation to appoint new community members each year (appointing after applications are due) or find members of the community to serve multiple application cycles?
- Does the committee review of application reduce the time spent by the Council and provide a more efficient and effective process? The Council will need to review all

applications in their review of the recommendations, so perhaps not. It may reduce the time spent in council meetings deliberating on funding applications.

- Is the committee necessary considering the amount of funding? As stated, RAP funds are limited in amount each year and only a few organizations are able to apply for funding. Is the creation of a new public body necessary to accomplish the public goals of the program?

Facilities and Programs

One further restriction from the State code is the use of funds by cultural organizations. The proposed policy limits the use of RAP funds from the Town to the costs associated with the creation and administration of community programs and activities. These programs should directly benefit the community and can be educational in nature (community education, lectures, guest speakers), art programs, art or recreational activities, or other similar activities. RAP tax funding may not be used for general administrative or operational costs of the organization, but only for the direct costs of providing the program or activity.

Percentage of Funding

Due to the limitations of funding, the committee is proposing percentage limits on the funding. These percentages are based on the amount of RAP tax revenues budgeted by the Town each year. The Council may authorize up to 50% of the budgeted revenue on recreational facilities, up to 50% of budgeted revenue on programs and activities through cultural organizations, and no single cultural organization may request more than 25% of the total RAP budgeted revenue. These percentages are shown in the table on page two of the policy.

Further Authorization

The current voter authorization will expire at the end of next year and we've been told that the County intends to put the reauthorization of the tax on the ballot next year.

Application Form

We are moving away from the current application form (printed pdf form) and to an online form using the software we use for development and other applications. We believe this will provide a better experience for applicants and a better review process by the Town. Based on the Council's discussion and action, we'll finalize the application and have it ready for the application window.

Please let me know if you have any questions during your review of the policy and resolution.



RESOLUTION NO. 2023-10

A RESOLUTION ESTABLISHING THE TOWN OF SPRINGDALE'S RAP TAX POLICY AND
CREATING THE RAP TAX ADVISORY BOARD

WHEREAS, in 2015, Washington County imposed a county option RAP tax pursuant to Utah Code Annotated section 59-12-703 to fund botanical, cultural, recreational, and zoological facilities and organizations in Washington County; and

WHEREAS, the Town of Springdale is a recipient of RAP tax fund that are intended to benefit the community and visitors to the Town and Springdale; and

WHEREAS, the Town Council desires to establish a policy to guide the disbursement of RAP tax revenues to provide the largest benefit to the community as a whole; and

WHEREAS, the Town Council desires also to designate a RAP Tax Advisory Board, to review applications and provide recommendations on the disbursement of RAP Tax funds;

THEREFORE, BE IT HEREBY RESOLVED by the Town Council of the Town of Springdale that the *Town of Springdale RAP Tax and RAP Tax Advisory Board Policy* (copy attached) is adopted as the Town's official policy governing the disbursement of RAP tax funds.

Passed and adopted this 11th day of October 2023.

Barbara Bruno, Mayor

Attest:

Aren Emerson, Town Clerk

Town of Springdale RAP Tax and RAP Tax Advisory Board Policy

Section 1 - Background:

Washington County imposed a county option RAP tax in 2015 pursuant to Utah Code 59-12-703 to fund botanical, cultural, recreational, and zoological facilities and organizations in Washington County. Funds collected by the County are allocated 15% to the County for qualifying cultural organizations and 85% to cities and towns based on a ratio of 2/3 population and 1/3 point of sale. The amount of RAP tax funds is expected to increase slightly year to year, depending on annual taxable sales within Washington County.

The current RAP tax authorization will expire in 2024. It is anticipated that the County will place the question of re-authorizing the RAP tax on the ballot in 2024.

Over the past five years, the Town has received the following amounts RAP tax funds:

Fiscal Year	2019	2020	2021	2022	2023	2024 Actual	2024 Budget
RAP Tax Received	\$39,522	\$43,915	\$48,881	\$65,733	\$45,844	\$11,599	\$40,000

(FY 2024 actual as of September 25, 2023)

Section 2 – Definitions

Cultural Facilities: publicly owned or operated museum, theater, art center, music center, and other similar cultural or art facility, or public art projects and installations such as sculpture, murals, mosaic, and other similar public art.

Cultural Organization: a private non-profit organization or institution having as its primary purpose the advancement and preservation of natural history, art, music, theater, dance, or cultural arts (see UCA 59-12-702).

Community Programs and Activities: educational programs, lectures, guest speakers, art programs, community education, art, or recreational activities or events, or other similar activities.

Recreation Facilities: publicly owned or operated facilities such as parks, trails, playgrounds, and other similar facilities used for recreational purposes.

Section 3 - Town Council Vision for Utilizing RAP Funds:

The Town Council has identified the following as its vision for utilizing the Town’s portion of the RAP tax funds:

- RAP taxes are limited purpose sales tax funds that need to be prioritized to provide the largest benefit to the community as a whole. While RAP tax funds will be used in accordance with UCA 59-12-703, specific limitations on RAP funding through the Town are noted in this policy.
- The Town Council may authorize up to 50% of the annual budgeted RAP tax to fund cultural or recreational facilities (recreation, arts and parks projects such as parks, trails, playgrounds, public art, and other similar projects) within the Town of Springdale to benefit residents and visitors. Funds may be used for the improvement of existing recreation, arts and parks facilities,

replacement of recreational equipment in existing recreation facilities, or the development of new recreation, arts and park facilities and projects.

- The Town Council may authorize up to 50% of the total budgeted amount of RAP tax revenues to fund community focused programs and activities implemented by qualifying cultural organizations. RAP funds will not be used for general administrative or general operational expenses of cultural organizations.
- No single qualifying cultural organization may receive more than 25% of the total budgeted amount of RAP tax revenues each funding cycle.
- Please see the example below of percentage breakdown by projects, programs, and single organizations.

Fiscal Year	2024 Budget
RAP Tax Received	\$40,000
50% Facilities and Projects	\$20,000
50% Programs and Activities	\$20,000
25% Single Cultural Organization Limit	\$10,000

- The Council encourages cultural organizations to also apply for RAP funds directly from Washington County.

Section 4 – RAP Tax Application and Funding process:

Applications requesting RAP tax funding will be considered once a year in conjunction with the Town’s annual budgeting process. An online application will be made available through the Town’s website. Applications must be submitted prior to March 15th of each year. Questions regarding funding or the application may be directed to the Town Manager. The Council will appoint a RAP Tax Advisory Board to perform a review of submitted applications and provide a recommendation to the Council. Applicants must attend the meeting of the advisory board to present their application and answer questions.

The Town Council will review funding request applications and the recommendations of the RAP Tax Advisory Board in conjunction with the tentative budget review in May of each fiscal year and determine when and for what purpose RAP funds will be used and which projects will be placed on the priority list. Applicants must attend the Town Council meeting to answer questions.

The Town Council reserves the right to consider RAP funding at any time during the year for projects or programs that would otherwise qualify for RAP funding but were unexpected or unknown during the regular application cycle.

Section 5 - Recreation, Arts and Parks Projects:

- Recreation, arts and parks projects include facilities and projects such as parks, trails, public art, recreation equipment and other similar projects.
- The Town, an organized club or group, a non-profit, or an individual may apply for project funding.
- The Council has developed a three-year priority list for RAP funded projects as part of the Town's budgeting and capital improvement processes.
- The RAP Tax Advisory Board shall review applications for compliance with policy and provide a recommendation to the Council in regard to funding and the project priority list. The Council will review applications and recommendations and approve project funding and inclusion of the project on the priority list.
- Projects must be on the priority list in order to receive funding through RAP funds. The Council may add projects to the year-one (immediate) list and approve them for funding at the same time or add the project (or a portion of a project) to the priority list for funding at a later time.
- The Council may save or set aside funds for multiple years to satisfy a long-term project.
- An application form will be used to identify specifics about the project, including:
 - Project budget, including anticipated funding needs. Except for Town projects, RAP funds may not be more than 50% of project funding.
 - Sources of matching funds or other possible funding assistance.
 - Timing of improvements (start date, completion date, project milestones).
 - Who will be the primary beneficiary of the proposed project?
 - The ability of the proposer to complete the proposed project.
 - How will the goals and priorities of the Town, as outlined below from the [General Plan](#), be met by the proposed project.
 - Parks, Recreation, and the Arts Sub-Goals A and B
 - Public Health Sub Goal C
 - Land Use Sub-Goal C

Section 6 - Operational Costs and Expenses – Recreational Facilities

- The Town may utilize RAP funds to fund ongoing operating expenses of town-owned recreational facilities developed within the Town, to replace or repair existing recreational equipment, procure new equipment to be used in recreational facilities, or otherwise improve recreation facilities.
- In funding ongoing expenses of town-owned recreational facilities, the RAP funds to be used and the specific costs/equipment to be maintained/repared, will be included in the Town's tentative budget and reviewed by the Council in the budget approval process (i.e. no specific application).

Section 7 - Community Programs and Activities – Cultural Organizations

- Qualifying cultural organizations (as defined by the State of Utah) may apply for limited funding for community focused programs and activities as outlined in this policy.
- Community focused programs and activities may be in the form of educational programs, art programs, lectures or guest speakers, community education, art, or recreational activities or events, or other similar activities. RAP tax funds shall not be used for general administrative or operational costs of an organization.

- The RAP Tax Advisory Board shall review applications for compliance with policy prior to funding and provide a recommendation to the Council. The Council will review applications and recommendations and approve program funding.
- An application form will be used to identify specifics about the funding request, including:
 - The cultural organization requesting funding (organization mission, purpose, etc.).
 - A description of the program or activity to be funded, including who will be the primary beneficiary of the proposed funding.
 - A copy of the organization's annual operating budget for the previous year, the current year (including the requested funding), and the projected next year.
 - A specific budget for the program or activity showing program revenues and proposed expenses, including the requested funding.
 - A statement regarding any other funding sources that the organization has access to.
 - Specifically, has the organization applied for or received RAP tax funding through Washington County?
 - Identify other possible grants to fund this program/activity.
 - Identify other funding sources the organization has applied to or funds that have been awarded and used to leverage the requested RAP tax funds.
 - As RAP funding is not intended to be a year-after-year contribution, in addition to the budget information above, an applicant will provide:
 - If the organization has received RAP funding from the Town in the past five years.
 - If so, in what years, in what amounts, and for what programs/activities?
 - A summary of the program outcomes in each year.
 - A report from the preceding year funding (as an attachment to the application) indicating how program funding was used, lessons learned, and a statement of actual revenues and costs.
 - How will the goals of the cultural organization be met by the proposed funding?
 - How will the goals and priorities of the Town, as outlined below from the [General Plan](#), be met by the proposed funding?
 - Parks, Recreation, and the Arts Sub-Goal C
 - Public Health Sub-Goal B
 - Natural and Cultural Resources Sub-Goal D
 - Land Use Sub-Goal D

Section 8 - RAP Tax Advisory Board

The rap tax advisory board reviews applications for RAP funding, ensures that RAP applications meet provisions of this policy, and provides recommendations to the Town Council regarding funding decisions. The rap tax advisory board is comprised of five positions as follows.

- One member of the Town Council
- One member of the Planning Commission
- Three members of the community at large

No person serving on the Board may be a member of an organization seeking funding from the Town. All members of the RAP Tax Advisory Board shall file with the Town Clerk an annual conflict of interest statement.

The persons filling the positions serve until they are replaced by the Town Council.